The Financial Times, August 1, 1975

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NEWS SUMMARY

GENERAL

Ulster hunt for killers of group

The hunt for the killers of three members of an Irish pop group called The Miami Show Band was narrowed down by police in Belfast yesterday as they sought two men belonging to the Ulster Volunteer Force, a militant Protestant para-military organisation.

In the incident which took place early yesterday morning at just north of the border town of Newry on the main Belfast-Dublin road, three young Irish musicians were shot dead and two members of a four-man UVF squad killed while planting a bomb inside the group's van. Two more members of the pop group escaped death, but one was seriously wounded.

The five musicians were returning from a dance to the Republic when they were flagged down by men in military-style uniforms, ordered out of their van they were lined up as two UVF men attempted to place an explosive charge inside it and there was a premature blast. The two UVF survivors are then understood to have fired on the group. Page 8. Parliament, Page 9

Mohammed names Nigeria governors

As Nigeria's new leader, Brig. Murtala Mohammed, appointed new military governors of the nation's 12 states, the frontiers were partially re-opened for nationals of neighbouring African countries. International flights were not resumed. Page 6. Editorial comment, Page 14

House may probe Benn case

The Commons Select Committee on the Ombudsman may consider on Tuesday the case of Mr. Anthony Wedgwood Benn and the Parliamentary Commissioner's criticism of his handling of the Court Line collapse. Compensation sought, Page 8

Ransomed Briton kidnapped again

Mr. Charles Lockwood, the 65-year-old British industrialist who was ransomed for $2m. after being held by Argentine guerillas for seven weeks in 1973, was kidnapped again near Buenos Aires yesterday. Mr. Lockwood's driver and two bodyguards were wounded in an exchange of gunfire.

Fire havoc at Iran port

A fire which raged for 20 hours at Iran's Gulf port of Khorramshahr caused at least $15m. worth of damage according to early estimates. The port handles 43 per cent. of Iran's imports.

Test recovery

After an early collapse England ended the first day of the Lords Test against Australia at 313 for 9, the new captain, Tony Greig, missing a century by four runs. Trevor Bailey, Page 20

Warm August

August will be dry, warm and sunny with only brief unsettled spells, according to the Meteorological Office long-range forecast. Temperatures are expected to be much above average. Page 8

Nova no more

Nova, launched in 1965 as a women's magazine in 1965 is to cease publication after its October issue. IPC Women's Magazines ascribed closure to losses at the rate of £80,000 a year.

Briefly . . .

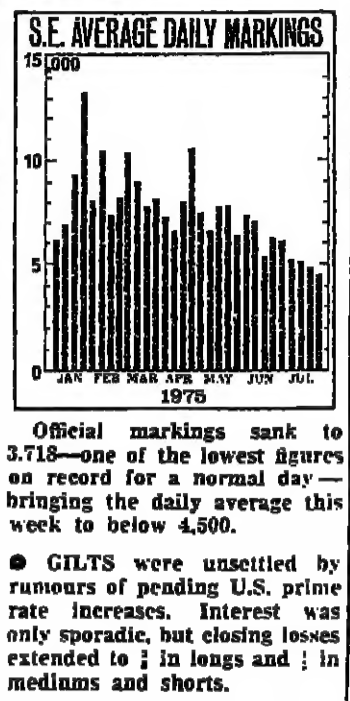
Viscount airliner of Far Eastern Air Transport carrying 76 passengers crashed at Taipei. At least 27 people died.

Shirt-sleeve order for police inside the Palace of Westminster has been authorised by the Commons.

BUSINESS

Equities down 5: trading at low ebb

● EQUITIES had another dull day. Sentiment was affected by worries over sterling and when gilts declined again the FT 30-Share Index drifted down 0.7 before closing at 283.3 for a loss of 3.2.



Official markings sank to 3,718—one of the lowest figures on record for a normal day—bringing the daily average this week to below 4,500.

● GILTS were unsettled by rumours of pending U.S. prime rate increases. Interest was only sporadic, but closing losses extended to ¾ in longs and ½ in mediums and shorts.

● GOLD fell 10c to $166.90.

● STERLING lost 97½ points to $2.1537½. Its weighted depreciation was 26.2 per cent. (25.8): the dollar's was 2.93 (3.07). Back Page

● WALL STREET gained six points early on, but at the close had slipped back to 831.51—down 0.15.

● FORD ADMINISTRATION has proposed fundamental changes in the taxation of share income designed to produce $15bn. of extra private investment a year. Page 4

Ellerman £100m. investment plan

● ELLERMAN LINES, one of Britain's largest privately-owned companies, is to invest more than £100m. over the next five years, most of it in shipping. Back Page

● GEC increased its capital investment 51 per cent. last year to £81.6m—almost 6 per cent. of turnover—which chairman, Lord Nelson, says refutes the argument that under-investment by private industry is Britain's main problem. Pages 8 and 17

● BRITISH LEYLAND is fighting back against foreign car imports with a new sales campaign described as "the most aggressive yet seen in the British market." Page 9. Striker at the company's subsidiary, Alford and Alder, voted by a majority of only seven to continue their strike over pay that has made 11,000 car workers idle. Page 8

£10m. provision by Barclays

● BARCLAYS BANK has made a further special provision of £10m. against its lending in the first half of this year. Back, Page 16 and Lex

● REED INTERNATIONAL first quarter taxable profits dropped £13.8m. to £8.5m. Page 17 and Lex

● BRITISH SUGAR directors estimate that pre-tax profits for the year to September 28 will be down £7.9m. at £6.5m. Page 20 and Lex

● CHRYSLER has forecast a larger third-quarter loss than the $85.7m. reported for the April-June period, but expects to return to profitability in the final quarter of this year. Page 19

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Hong Kong S'hai Bkg.	205	+ 8
MEPC	77	+ 4
Ransom (Wm.)	36	+ 7
Minorco	278	+ 6
Poseidon	320	+ 15
Roan Cons.	290	+ 20

FALLS

Treasury 9pc 1980	£92	- 1
Treasury 8½pc 87-90	£70¾	- 1
Assd. Newspapers	81	- 4
Babcock and Wilcox	84	- 5
Barclays Bank	240	- 5
Burt	65	- 4
Bain	287	- 7
Burton "A"	35	- 7
Cole (R. H.)	120	- 4
Coll Investments	16	- 3
Courtaulds (J. W.)	120	- 4
Cain (D.)	172	- 7
Dewhirst (I. J.)	46	- 4
Distillers	107	- 3
GKN	302	- 10
Hepworth "B"	29	- 7
Hoover "A"	229	- 7
I.C. Gas	206	- 8
Nat. Westminster	196	- 8
Paterson Zochonis	225	- 7
Plessey	64	- 3
Racal Electronics	286	- 6
Bank Org. "A"	123	- 5
Reckitt and Colman	286	- 6
Reed Intnl.	180	- 15
Sun Alliance	301	- 7
Taylor Woodrow	234	- 6
Thompson Org	148	- 6
Thorn "A"	234	- 6
Tube Invests.	288	- 7
BP	472	- 8
ASA	£10	- 1
East Rand Prop.	320	- 10
Elsburg	365	- 10

No more financial aid for NVT—Varley

BY TERRY DODSWORTH, Motor Industry Correspondent

IN A dramatic reversal of Government policy, Mr. Eric Varley, the Industry Secretary, announced yesterday that he had refused further financial aid for Norton Villiers Triumph, the motorcycle manufacturers.

The decision, announced to a packed House of Commons, is widely seen as a considerable shift away from the interventionist policies pursued by Mr. Varley's predecessor at the Department of Industry, Mr. Anthony Wedgwood Benn.

In his statement on the DoI's view that the industry lacked commercial viability. The consultant's report, commissioned by the company, which he had examined, had shown that much more money was injected into a rescue scheme involved high risks and only a slim long-term prospect of profitability, he said.

The Industry Development Advisory Board, he said, also agreed that none of the strategies identified offered an adequate prospect of viability.

In addition the Government had to take into account "the many other calls on Government money in other spheres of economic and social policy, and the need to ensure that our limited resources are used to the best advantage."

The announcement follows only a week after the DoI acquiesced in a rescue package mounted by City institutions for Fodens, the heavy truck manufacturer, which has been supported by a January by £2m. of Government bank guarantees, and was a leading candidate for more State aid.

In the Commons yesterday Mr. Varley pointed out that nearly £24m. of public money had been spent on, or committed to, the motor-cycle industry in the past two years. But in spite of this NVT's sales abroad had fallen dramatically, and NVT had pressed him for further funds.

He went on: "In the light of our most thorough consideration of all possibilities, the Government has concluded that this request for funds must be refused. I want to make it clear that we have given full weight to the skill and enthusiasm of the workforce and the employment situation in the Midlands."

How Japan won the motor cycle war Page 8
Parliament, Page 9
Editorial Comment Page 14

Mr. Varley's decision, apart from causing an outcry from the Labour Left in Parliament makes it virtually certain that NVT's 3,500 employees will be put on to a three-day working week when they return from holiday a week from now. Some redundancies are also inevitable, although the workers have declared that they will fight factory closures by sit-ins if necessary.

But, in addition, it raises a question about the future viability of the British industry, now slimmed down to a rump embracing NVT and the Meriden Co-operative.

NVT, a public company, declared losses of £5.6m. after its first 20 months trading, and the auditors qualified the accounts because of the "uncertainty of the situation" given the Government's inquiry into the company. Meriden, which is owned by its 350 workers, depends on NVT for its marketing.

Last night, in a robust attack on the Government's decision, Mr. Dennis Poore, NVT's chairman, said that the company had been led to the brink of disaster.

He went on: "Now the Government appears to be turning its back and disclaiming responsibility. A more classic example of the appalling consequences of Government intervention, however well-intentioned, of frequent changes of course and of the dead hand of officialdom totally divorced from the realities of commercial business life, it would be hard to find."

NVT, which has frequently conceded the possibility of factory closures, began talks with the unions last night on its future actions.

By far the biggest shareholder in NVT, with almost 50 per cent. of the equity, is Manganese Bronze Holdings, another company headed by Mr. Poore. In the reconstruction of the British motorcycle industry, started under the Conservative Government in 1973, MBH received some £3.7m. in NVT, while the Government put up almost £5m. The Government's investment is in the shape of loan stock, rather than risk capital.

Mr. Poore's argument against the Government is that although he wanted a two-factory industry, the Department of Industry opted for a three-factory system by supporting the Meriden co-operative.

Failure to close Meriden, he has argued, strained the company's cash resources, while valuable supplies were cut off during the Meriden sit-in. Before the Government persuaded Norton Villiers to lead the reconstruction of the industry, it was "a small but successful motor cycle manufacturer which had quadrupled production in four years without Government aid."

"NVT is no lame duck seeking Government aid, but a company specifically set up on the initiative of the Government."

Although the company had warned the Government not to pursue the three-factory plan, it had gone ahead, and now "the money is needed to produce new products to justify three factories and to subsidise losses until they are ready for production."

In whatever way NVT pursues its closure plans, it is bound to provoke a political row which will embrace the trade unions as well.

Within the motorcycle industry there is already a tense atmosphere between the Meriden workers, who were given almost £5m. by the DoI to establish their co-operative, and workers at NVT's Small Heath factory, which has the axe hanging over it. The Small Heath men made vigorous protests about their job prospects to Mr. Wedgwood Benn when he met them

Turkish threat over Cyprus after Helsinki conference protest

BY MALM RUTHERFORD

HELSINKI, July 31.

TURKEY by implicitly reserved their to take further military action in Cyprus pending what illed the establishment of "government legitimately resenting the two national munities" on the island.

The Turkish statement was handed to members of the 35-nation European Security Conference after Archbishop Makarios devoted much of his speech this morning to an attack on Turkish policy. The Turkish delegation, led by Mr. Suleyman Demirel, the Prime Minister, ked out during his statement.

Mr. Demirel came to the rostrum afternoon saying he had had entirely to rewrite his speech in the light of the Archbishop's remarks and the (much more restrained) criticism of Turkey yesterday by Mr. Constantine Caramanlis, the Greek Prime Minister.

Mr. Demirel said that Turkey would "regard the final provisions of the conference as valid in relation to Cyprus" until there was legitimate government resenting both the Greek Cypriot and Turkish Cypriot communities.

Since final provisions include the renunciation of force and nonintervention in the affairs of another state, his statement can mean only that Turkey reserves the right to play a further active role in the island, with possible use of military power.

There is now a strong chance of an initiative on Cyprus by the European Community. The Americans are pushing the idea strongly and the EEC has basically complied. It would take the form of separate talks with the Greeks and Turks by the Italians, who at present hold the Community presidency.

If the idea goes ahead, the Italians—who have good relations with both sides—would deal with the Greeks and Turks much as the Americans deal with the Egyptians and the Syrians in the Middle East. One Common Market source described it as "shuttle diplomacy without the dramatic shuttles."

The Cyprus dispute erupted on a day which also brought agreement to go ahead with a five-power economic and monetary summit meeting before the end of this year and a remarkably restrained speech on the future of detente by Mr. Leonid Brezhnev.

The plan for the economic summit was confirmed at a lunch given by Mr. Harold Wilson for President Ford, President Giscard d'Estaing and Chancellor Helmut Schmidt. Japan will be invited to attend and also to take part in preparatory meetings of experts. Mr. Takeo Miki, the Japanese Prime Minister, is visiting Washington for talks with President Ford next week.

According to the West German spokesman, Herr Klaus Boelling, information was given at to-day's lunch to the co-ordination of interest rates and the intensification of central bank co-operation. Herr Boelling said that France, which had originally proposed the summit as a monetary conference, now accepted that it should be economic as well.

Other Common Market countries are far from happy at the way they are being excluded from the world economic talks and are claiming that the European Community as such should have a role. They are also bitter at the way the four Powers pretended they were having a conference about Berlin.

Apparently it was intended that the nature of the lunchtime talks should have been kept secret, but the content was inexplicably made public by the West German spokesman.

Mr. Brezhnev's speech to the conference meanwhile surprised and impressed Western delegations with its evident moderation. He made no attempt to claim that the conference documents which will be signed to-morrow are legally binding and he called the talks on East-West force cuts in Vienna a "priority goal."

In a reference to non-intervention in the internal affairs of participating states, he said: "It is only the people of each given state, and no one else, that has the sovereign right to resolve its internal affairs and establish its internal laws." These are words against which Soviet behaviour will be judged in the West, and perhaps also in Eastern Europe, for a long time to come.

Bargaining for more trade Page 5

£ in New York

	July 31	Previous
Spot	$2.1580-1570	$2.1620-1630
1 month	0.85-0.80 dis	0.85-0.75 dis
3 months	2.30-2.15 dis	2.12-2.07 dis
12 months	8.00-7.80 dis	7.85-7.75 dis

City wants details of Bank plan

BY STEWART FLEMING

BEFORE entering into a commitment in principle to support the idea being floated by the Bank of England that pension funds and insurance companies should create a new source of equity funds for industry, some institutional leaders are anxious to have more detailed information on what is envisaged.

The Bank's recently appointed industrial adviser, Sir Henry Benson, has been sounding out insurance companies and pension funds in particular about the prospect of their creating a new banking organisation which might provide initially some £250m. of equity capital to companies that might not be able to raise equity on the Stock Exchange.

In recent weeks the pace of these discussions has quickened and there are now suggestions that senior executives are expecting a more definitive statement of Sir Henry's thinking shortly.

What such a statement might contain is still in doubt, since the Bank is anxious to avoid widespread publicity for any suggestions it might make. It is determined to avoid a situation in which key elements in any draft were to be turned down publicly.

During that period Sir Henry has been made aware of the reluctance of some institutions, the pension funds in particular to make any commitment in principle to the idea of an institutional equity bank without a more detailed written outline of how such an organisation might be constituted and what the criteria for its operation might be. Particular points which might require clarification would be where the ownership and control of such an organisation would lie, its degree of independence from the Bank, and how personnel and projects would be selected.

It also seems likely that pension fund leaders will have made it clear to Sir Henry that even if they become convinced that the concept is sound and necessary, they cannot commit their members and particularly pension fund trustees in advance. It was this aspect of the pension funds' position which led to misunderstandings earlier this year when the Bank was rallying City support for the injection of funds into Finance for Industry.

Private enterprise partner for NEB Page 14

£6 LIMIT BEGINS TO-DAY

Government to publish pay advice

BY JOHN ELLIOTT, LABOUR EDITOR

THE GOVERNMENT is shortly to publish detailed advice to employers and unions on how they should interpret the White Paper's pay policy, which comes into force to-day at the same time as the Remuneration Charges and Grants Bill is due to receive Royal Assent.

CBI and TUC leaders are also to prepare separate guidance along the same lines for their members on operating the White Paper, whose policy lines mean that, with one or two exceptions, nobody should receive pay rises of more than £6 a week for the coming year and that those earning more than £8,500 should receive nothing.

The Government advice will take the form of detailed questions and answers on the policy, based on answers given by Ministers in the Commons and on problems handled by the Department of Employment's telephone inquiry centre.

This will appear as a special section of the next issue of the Department's monthly employment News, of which 100,000 copies are to be printed and circulated to both sides of industry.

Ministers are anxious to stress that this will not in any way be a "pay code," although it is in fact the best way for the Government to issue guidelines interpreting the White Paper under an official banner without the panoply of Parliamentary documents.

The TUC advice to its members will be contained in the next issue of its broadsheet Labour, and a circular to all affiliated unions is also likely to spell out the pay guidelines in an operational form.

Monitoring

Following a meeting earlier this week with Mr. Michael Foot, Employment Secretary, the CBI will also now either issue a circular to its members or will include in its regular Industrial Relations Bulletin to spell out its advice.

It also seems likely that the CBI and the TUC will co-operate to ensure that their versions do not conflict with each other or with the Government's advice.

They all see the objective as trying to ensure that the policy works, and there are also likely to be contacts between the CBI and TUC during the coming weeks on how the policy could be monitored.

So far it is clear that Mr. Foot intends to do little more than interpret the regular information his Department receives, which he estimates catches about 80 per cent. of the country's wage bargaining with more emphasis on the public than the private sector.

On top of this his Department will also be responsible for vetting wage increases reported by companies to the Price Commission when they apply for price rises.

Since the White Paper was published on July 11 all major groups of workers with wage deals outstanding under the old TUC's wage guidelines have settled their rises. These groups included teachers, steel industry, blast furnacemen, seamen, gas industry white collar staffs, chemical and bank workers.

Special

Some, such as policemen who will receive 19 to 38 per cent. rises in a month's time, still have to receive their money, but special arrangements are provided in the White Paper for groups with old deals being implemented during the coming month.

In addition, there are possibly around 1m. London workers who, Mr. Foot confirmed in the Commons yesterday, are in line for London weighting allowances backdated to earlier in the year and who will still receive this money.

But for others working in London, as for everyone else, the new policy means that almost all new deals agreed and paid as from to-day have to be offset against the £6-a-week limit.

It is points such as these which the various forms of guidance on the policy will spell out. Other points which have caused confusion include restrictions on new pensions arrangements during the coming year, limits on new productivity schemes and special treatment for incremental and merit systems depending on defined principle and practice.

Meanwhile, the number of unions pledging their support for the policy continued to build up yesterday with the Post Office Engineers, the Confederation of Health Service Employees and APEX, the clerical workers' union, together subscribing approaching 400,000 votes behind the policy for the TUC's annual Congress next month.

The London and home counties region of the Transport and General Workers' Union has decided by a majority of about 12 to one to call on the union and the TUC to abandon the social contract. But this not expected to affect the TUC Congress.

Tribune attack on counter-inflation policy, Back Page

Tussle over new economic order

BY C. GORDON TETHER

"IT IS LITTLE wonder that in 1974 the General Assembly issued a declaration calling for a new international economic order," said Mr. Rudolph Peterson, administrator of the UN Development Programme, pointing out recently that more adults are illiterate to-day, more children die at an early age, more people suffer from malnutrition and more are idle and unemployed than 25 years ago. He went on to say that, though the idea itself was far from being entirely original, what was new and encouraging was "the broad awareness" the declaration had aroused and "the astonishing momentum" it had spurred.

If you are talking of words, Mr. Peterson is, of course, absolutely right. With the possible exception of global inflation, no subject has attracted more attention during the past year or so in terms of the number of words it has spawned. But if actual achievements are to be used as the yardstick, it is a very different story. The momentum here has been anything but astonishing.

Apart from the Lomé Convention—which is little more than a long overdue rationalisation of the relations between members of the EEC and their former dependencies and which was the product of negotiations begun well before the new economic order was thought of—there is at present almost nothing of substance to show.

Common cause

Who is to blame? The Americans are currently making great efforts to lay the responsibility at the door of the developing countries. During the past month, Dr. Kissinger, the Secretary of State, has made a number of speeches on the subject. His invariable theme *has been that the U.S. was more* willing than it had ever been to co-operate with them in seeking a global solution for their problems, but that it could do nothing if they insisted on deliberately encouraging the emergence of "an atmosphere of ideological confrontation and bloc politics."

No doubt there is a certain amount in this. Since they teamed up with the oil-producing countries after the latter had persuaded them that they had common cause against the affluent world even if the steep rise in oil prices had hit the poor countries hardest, the developing *countries have been much more* inclined to throw their weight around.

But their grievances against the advanced world as a whole are both long-standing and far-reaching—and they are concerned *with much more than* improving the terms of trade for commodity-producers. So it is hardly a matter for surprise if their demands for a new deal are apt to look like ideological confrontation.

It also has to be remembered that, for some time after the new economic order idea appeared on the map, no country was working harder than the U.S. to make it the subject of confrontation and bloc politics.

It was Washington that made immense efforts to bring about a line-up of industrialised countries to do battle against OPEC in the hope of getting oil prices moving back towards their former levels. And the attempt by a UN conference in May to get a dialogue going about the evolution of mechanisms to maintain commodity prices at levels fair to both sides, broke down largely because of what the Brazilian Minister of Industry and Commerce subsequently described as the "intransigent U.S. attitude to international economic co-operation."

Defusing

It has recently been reported *that the Americans are now* persuaded that something must be done "to defuse the crisis of confidence between the rich and the poor countries of the world." And, indeed, in his latest peroration on the shortcomings of the Third World, Dr. Kissinger gave an undertaking that the U.S. would table "concrete and constructive proposals on a whole range of world economic problems at the UN's next special session in September."

It cannot be said that the industrialised countries as a whole have displayed much enthusiasm for the new economic order idea. But a few of them—*notably* France and Britain—have shown themselves ready to explore the case for a major revision of relations between the affluent world and the rest. And it is conceivable that many more would have done so had they not been able to argue that such efforts wouldn't get very far so long as the U.S. was behaving unhelpfully.

If, therefore, the Americans really do mean business, the consequences for the future economic well-being of the world could be of the greatest importance. But their change of heart will have to be of fundamental order if the "have-nots" *are to be persuaded that it will* henceforth be worth their while to approach the reform of their relations with the "haves" in a spirit of co-operation rather than confrontation.

RACING — BY DOMINIC WIGAN

Jolly Good now better still

BRUCE HOBBS, who a year ago sent out Take a Reef to put up that remarkable weight-carrying performance in the Extel Stakes, can land Goodwood's intriguing one-and-a-quarter-mile handicap again to-day with the tremen*dously improved Jolly Good.*

This strongly-made son of Jolly Jet has already won three races this season, including Ascot's White Rose Stakes and the valuable John Smith's Magnet Cup at York. Judged on his outstanding performance in the Magnet Cup he has a favourite's chance of following up here.

Jumping off in front of his 14 opponents at York, Jolly Good maintained such a strong pace that he had almost all his rivals in trouble a long way out. Had Willie Carson not eased him considerably, Jolly Good's winning margin over the runner-up, Mr. Bigmore, to whom he was giving 5 lb, would have been far more than the official six lengths.

With 9 st. to-day, Jolly Good receives 8 lb from Vincent O'Brien's Forli colt Imperial March, who did so well when getting up in the final stride to beat Deerslayer in the Queen Anne Stakes at Royal Ascot.

James Bethell, who took over most of Arthur Budgett's Whatcombe string at the end of last season, has his team in fine form, and it could be significant that Lester Piggott has accepted the mount on his once-raced *Maple Syrup* in the opener, the Selsey Stakes (2.0).

Maple Syrup, a half-sister by Charlottown to that smart French two-year-old of a few years ago, Bon Appetit, created a highly favourable impression when taking fourth place behind Sea Venture in the 23-runner Princess Stakes at Newmarket early last month.

There, Maple Syrup (whose dam, Sweet Solera, won six of her eight races, including the 1,000 Guineas and the Oaks) moved up rapidly at the distance after showing signs of inexperience in the early stages, and at the line was only two lengths behind the winner.

Maple Syrup is certain to have derived a good deal of benefit from that outing. She will have a considerably easier task now Picture has been withdrawn, and can win at the main expense of Stop the Music, and the much-vaunted, though unraced, Bedfellow.

Ticklish, who followed up comfortable Warwick and Yarmouth successes with a facile victory at Kempton recently, has much more to do in the Dandizette Handicap (2.30). Yet she is an improving sort and I think she will win again.

GOODWOOD

2.00—Maple Syrup**
2.30—Ticklish***
3.05—Jolly Good
3.35—Grove's Boy
4.05—Summer Knave
4.35—Limpopo
5.05—Singing Time

THIRSK

2.15—Easby Saint
2.45—Marcus Game
3.15—Princely Mount
3.45—Light Infantry
4.15—Bunny Boy
4.45—Scattered Scarlet*

SALEROOM — BY MICHAEL THOMPSON-NOEL

Sparkling prices paid for jewels

PRICES FOR fine jewels continued to sparkle in London yesterday. At Sotheby's, a jewel sale totalled £122,866, including £15,500 for an important Marquise-shaped diamond of 6.14 carats set as a ring and sold to Wasinski.

This was one of three lots sent for sale by Mrs. N. Campanella. Another, a diamond three-stone ring, fetched £4,500. Earlier in the sale Kaufman paid £10,500 for a stunning oblong-shaped diamond, again set as a ring.

At Sotheby's Belgravia a sale of silver and objects of vertu, 1825-1970, realised £47,120, including £8,200 for a massive Smith Nicholson and Company parcel-gilt centrepiece representing Neptune and attendants. At the company's Chancery Lane division, a sale of printed books amounted to £12,301.

Highest price at Christie's in the first part of a sale of English and Continental furniture was £1,365 for a Continental giltwood mirror, possibly made in Germany (mid-17th century), which went to Franklin. A George III mahogany library table fetched £1,260 (A. Fredericks) while the same price was paid by a private buyer for a Dutch marquetry bureau with sloping lid and claw-and-ball feet. The sale totalled £68,283.

At Bonham's, a furniture sale amassed £14,936, including £2,800 for a German walnut armoire (circa 1700). A picture sale realised £16,377.

Clear pricing urged to help tourism

HOTEL and boarding house accommodation should be clearly and openly priced, Sir Mark Henig, chairman of the English Tourist Board, said when introducing the board's sixth annual report yesterday.

The report discloses that tourism in Britain now involves 1m. jobs and nearly £3bn. a year in spending by British and foreign tourists.

Sir Mark said: "We see no reason, especially in view of the Government's general concern for open and honest pricing of *goods, why accommodation* services should not be clearly priced.

"We also regard it as fundamentally important that tourists—and ourselves—should know exactly what tourist accommodation, of all types, is available in this country."

U.K. tourism was achieving a sense of direction, and its role as an important contributor to the balance of payments and as a major employer was being increasingly recognised.

A national strategy for the development of tourism on both a national and regional scale was now emerging. Some European countries suffered a big downturn in tourist arrivals last year, whereas the U.K. showed some increase.

The phenomenal growth in self-service holidays, identified three to four years ago, showed no sign of slackening.

● Wales wants no more of the selfish, boorish minority who represent "the unacceptable face of tourism," the Wales Tourist Board said yesterday, while reporting that for the first time revenue from tourism exceeded £200m. in 1974-75.

No tourists

The Palace of Westminster will not be open to the public on August 4, 5 and 7 because Parliament will be sitting.

It will be closed to the public also on September 4 and Westminster Hall will be closed from September 1—5 and on September 9—10 because of preparation for the 62nd Inter-Parliamentary Union Conference.

ENTERTAINMENT GUIDE

CINEMAS ARE CONTINUED ON PAGE 5

TV Radio

BBC 1

† Indicates programme in black and white.

10.05 a.m. Hector's House. 10.10 *Dakitari.* 11.25 Cricket: Second Test, England v. Australia. 1.30 p.m. Along the River. 1.45 News. 1.50 Bilidowcar. 2.15 Cricket and Racing: Second Test, England v. Australia and Glorious Goodwood. 4.23 Regional News (except London). 4.25 Play School. 4.50 Devlin. 5.15 We Are the Champions 1975.
5.45 News.
6.00 Nationwide.
6.50 The Disney Adventure.
8.20 The Other Broadway: The Stylistics, Freda Payne.
9.00 News.
9.25 Beneath the News.
9.55 "A Fistful Of Dollars," *starring Clint Eastwood.*
11.25 Athletics from Crystal Palace.
12.00 Regional News.

All Regions as BBC 1 except at the following times:—

Wales—6.00-6.50 p.m. Wales To-day. 6.50-7.10 Heddiw. 7.10-7.50 Sir Thomas Parry-Williams reminisces about Snowdonia. 7.50-8.20 Question of Sport. 12.00 News.

Scotland—6.00-6.50 p.m. Reporting Scotland. 12.00 Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. 12.00 Northern *Ireland News Headlines.*

England—6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

6.40 a.m. Open University.
11.00 Play School.
2.25 p.m. Cricket and Racing: Second Test, England v. Australia and 4.05 Glorious Goodwood.
6.40 Open University.
7.30 Newsday.
7.40 Living on the Land.
8.05 The Great Orchestras, programme 1: The Israel Philharmonic.
9.00 Ten from the Twenties.
9.50 The Money Programme.
10.40 Cricket: Test Match highlights.
11.10 News Extra.
11.29 Closedown: Hugh Burden reads "Porphyria's Lover" by Robert Browning.

LONDON

†9.55 a.m. Bertrand Russell Speaks His Mind. 10.10 Wildlife Theatre. †10.35 "Bottoms Up," starring Jimmy Edwards. 12.05 p.m. Yoga for Health. 12.30 Sally and Jake. 12.40 Hickory House. *1.00 First Report: News, plus FT* index. 1.20 Lunch-time To-day. 1.30 Songs That Stopped the Shows. 2.00 This Week. 2.30 Showjumping from the Hull Show. 4.20 Robert's Robots. 4.50 Magpie. 5.20 University Challenge.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Winner Takes All.
7.30 General Hospital.
8.20 The Squirrels.
9.00 Police Woman.
10.00 News.
10.30 Cinema.
11.00 Police Five.
†11.10 The Friday Film: "Time Lock," starring Robert Beatty and Lee Patterson.
12.40 a.m. One Point of View.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 5.20 Wait Till Your Father Gets Home. 6.00 About Anglia. 10.30 The Great Little Trains of Wales. 11.00 Kung Fu. 11.55 Men Who Matter.

ATV MIDLANDS

1.20 p.m. Lunchtime Newsdesk. 5.20 The Flintstones. 6.00 ATV Today. 7.00 General Hospital. 8.00 Winner Takes All. 9.00 The Streets of San Francisco. 10.30 Appointment With Fear: "The Curse of the Fly" starring Brian Donlevy.

BORDER

1.25 p.m. *Border News.* 2.00 Women Only. 5.20 The New Adventures of Superman. 6.00 Border News and Lookaround. 9.00 Police Story. 11.00 Late Night Film: "The Skull" starring Peter Cushing, Patrick Wymark and Christopher Lee. †12.30 a.m. Border News Summary.

CHANNEL

1.25 p.m. Channel Lunchtime News and What's on Where. 5.20 Untamed World. 6.00 Channel News. 6.10 Funky Phantom. 9.00 Police Story. 10.30 What Have We Here? 10.55 Friday Late Night Movie: "The Secret Four." 12.35 a.m. News and Weather in French.

GRAMPIAN

12.00 Our Street Was Paved With Gold. 12.15 p.m. Jalan Jalan. 12.35 Lunchtime Call. 1.20 Grampian News Headlines. 5.15 Wait Till Your Father Gets Home. 6.00 Grampian News. 6.10 One Northern Summer. 7.00 General Hospital. 8.00 The Protectors. 9.00 Police Story. 10.30 Feature Film. 12.05 a.m. Evening Prayers.

GRANADA

10.25 a.m. Sesame Street. 11.20 Clapperboard. †11.50 Deckie Learner. 12.30 p.m. Hammy Hamster's Adventures on the Riverbank. 1.20 This Is Your Right. 5.15 Cartoon. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Randall and Hopkirk (Deceased). 7.30 General Hospital. 9.00 Police Story. 11.00 Mystery Movie: "McCloud." †12.45 a.m. Douglas Fairbanks Presents.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 5.20 Orbit 5. 5.25 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 University Challenge. 7.00 The Adventurer. 9.00 Kung Fu. 11.00 U.F.O.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.20-4.50 Cestyll Cantamil. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

11.55 a.m. Shoemaker and the Elf. 1.25 p.m. Road and Weather Report. 2.00 Women Only. 5.15 Kiri. 5.25 Crossroads. 6.00 Scottish News. 6.05 Isabel on Friday. 7.00 Not On Your Nellie. 9.00 Police Story. 10.30 Late Call. 10.40 STV Reporting. 11.05 Journey to the Unknown.

SOUTHERN

11.00 a.m. Yoga for Health. 11.25 Fighter Control Officers. 11.45 Eastern Food in an English Kitchen. 12.05 p.m. Skippy. 12.30 Hammy Hamster's Adventures on the Riverbank. 1.20 Southern News. 2.00 Women Only. 5.20 Betty Boop. 5.25 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 53 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66 only). 6.35 Zoo Gang. 10.30 Afloat. 11.00 The Collaborators. 11.59 Southern News Extra. 12.05 a.m. Untamed World.

TYNE TEES

12.35 p.m. Starting Point. 5.20 The Count of Monte Cristo. 6.00 North-East News. 6.05 Division. 9.00 Police Story. †10.30 The Friday Night Film: "Kiss of Evil," starring Clifford Evans. 12.20 a.m. Late News Headlines. 12.25 Open Bible.

ULSTER

1.20 p.m. Ulster News Headlines. 4.18 Ulster News Headlines. 5.20 Wait Till Your Father Gets Home. 6.00 Summer Reports. 6.25 Police Six. 9.00 Police Story. 11.00 Streets of San Francisco.

WESTWARD

11.25 a.m. Yoga for Health. 11.50 Adventures in Rainbow Country. 12.15 p.m. Skippy. 12.38 Gus Honeybun's Birthdays. 1.20 *Westward News Headlines.* 5.20 Untamed World. 6.00 Westward Diary and Sports Desk. 9.00 Police Story. 10.32 Westward Late News. 10.35 What Have We Here? †10.55 Friday Late Night Movie: "The Secret Four" starring John Payne. 12.35 a.m. Faith For Life.

YORKSHIRE

1.20 p.m. Calendar News. 5.20 The Count of Monte Cristo. 6.00 Calendar. 9.00 Police Story. †11.00 The Friday Night Film: "The Horror of It All," starring Pat Boone.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 11.00 Ed Stewart with The Radio 1 Roadshow. 12.30 p.m. Newsbeat. 12.45 Johnnie Walker. 2.02 David Hamilton (S) (also on VHF). 5.00 Newsbeat. 5.15 Rosko's *Round Table.* 7.00-12.33 a.m. As *Radio 2.*

RADIO 2 — 1.500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) 8.27 Racing Bulletin and at 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House in Cardiff (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m. only (also 202m Scotland) 2.45, 3.45 and 4.45 Sports Desk and 3.02 Racing from Goodwood. 5.02 Waggoners' Walk. 5.17 Sam Costa (S). 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Just for Fun. 7.30 Sports Desk. 7.32 Ronnie Aldrich (S). 8.32 Robert Stolz' tribute in music to the last of the Waltz Kings of Vienna (S). 10.02 Sports Desk. 10.07 Len Jackson (S) with Music Through Midnight and 12.00 *News.* 12.32 a.m. News Summary.

RADIO 3 — 464m, Stereo & VHF

: Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 8.55 John Clare and Birdsong. 9.00 News. 9.05 This week's composer: Haydn (S). 9.40 Piano Recital (S). 10.25 Kodaly recital (S). 10.45 Petrassi and Arne concert (S). 12.25 Cricket: Second Test—England v Australia. 1.35 p.m. News. 1.40 Playbill (S). 2.00 Cricket: Second Test (continued) († from 5.45 p.m.) including 2.00 Lunchtime Scoreboard. 10.40 Study on 3. 7.30 Proms concert, part 1: Brahms (S). 8.15 Basil Dean on Yesterday and To-day in the Theatre. 8.35 Proms concert, part 2: Tippett, Mendelssohn (S). 9.45 Music Now. 10.25 Finnish Radio Chamber Choir (S). 11.25 News.

Radio 3 (VHF only)—6.00 to 7.00 a.m. and 6.05 to 7.30 p.m.—Open University.

RADIO 4

285m, 330m, 434m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the day. 6.45 Today, including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today: 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today, including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 With Great Pleasure: Wynford Vaughan-Thomas. 11.50 Through the Badger Gate. 12.00 News. 12.02 p.m. You and Yours. 12.27 Whatever Happened to the Likely Lads? †12.55 Weather, programme news (medium wave only) VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour visits Belfast (including 2.00-2.02 News). 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Brain of Britain 1975. 6.45 The Archers. 7.00 News Desk. 7.30 Pick of the Week. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight: News, including Friday Special. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight: Radio 4's International Business Report: Market Trends. 11.15 Today in Parliament. 11.25 Week Ending . . . a review of the week's news. 11.40 News.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In—1. 12.45 London News Desk. 1.00 Call In—2. 2.03 206 Showcase. 3.45 The London Gardener. 4.03 Lobby. 4.32 Home Run including London News Desk at 5.00, 6.00. 6.30 Sportsfield. 7.00 In Town. 8.00 Good Fishing. 8.30 London Country. 10.03-2.00 a.m. Popshop.

London Broadcasting

261m and 97.3 VHF

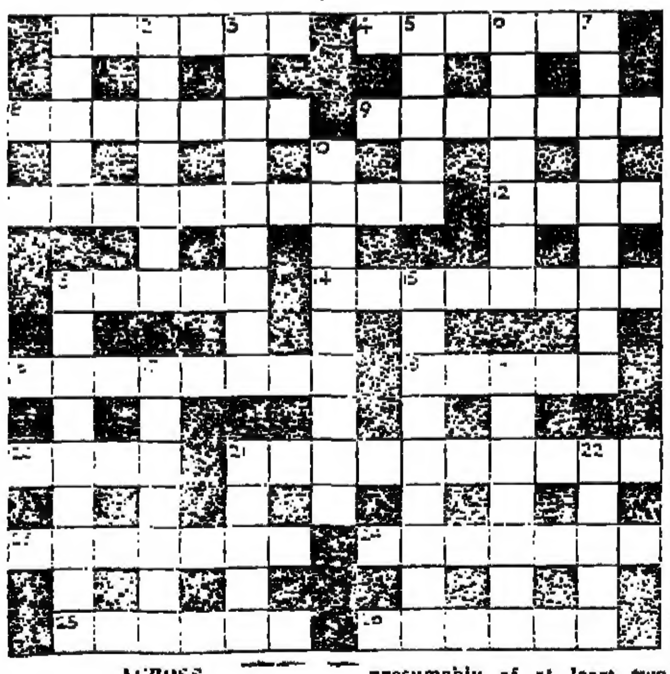
6.00 a.m. "A.M.": breakfast-time news show with interviews, traffic and travel service, plus sport. 10.00 Open Line—London talks to George Gale. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 Financial 'phone-in on pension problems. 9.00 Love in London. 1.00-5.30 a.m. Nightwatch—news every half-hour.

Capital Radio

194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and Swapshop. 12.00 Cash on Delivery. 3.0 p.m. Roger Scott. 7.00 London To-day. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It: Nicky Horne's rock show. 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,844



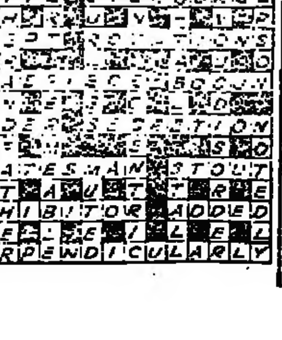
ACROSS

1 "It is a —— more honoured in the breach" (Hamlet) (6)
4 A sailor with a date is waiting (6)
8 Shopping street's, for backward artist, accountant and of the French (7)
9 Slim Ida is possibly not to be found (7)
11 Drink to choose is lowered at the gate (10)
12 A child's [illegible] (4)
13 Old English city since turned to drink (5)
14 Took [illegible] for the parrot (8)
16 A form of [illegible] (4-4)
18 Tree the [illegible] to like (5)
20 Lament for an actor (4)
21 It is cheek [illegible] a Berkshire town to get the message (3-7)
23 Usually refers to wet weather, but possibly to one who is going to be mother (7)
24 Insurrection's current among engineers (7)
25 Soils for [illegible] after tea (6)
26 "You spotted —— with double tongue" (M.N.D.) (6)

DOWN

1 See the ship and its freight (5)
2 A gold coin is about right for getting things going (7)
3 A single season consisting presumably of at least two swallows (3, 6)
5 Ships a worker equips (5)
6 Cover up for a girl in difficulty (7)
7 He was inspired in Patmos (5, 4)
10 Birds for coloured internationals (9)
13 Classified — with a punch-up (6, 3)
15 Each lemon can be a symbol of inconstancy (9)
17 Spell to preserve on tour (7)
19 Stuff cut short where horses parade (7)
21 One in two directions like Kipling's cat (5)
22 [illegible] like problems for the county (5)

Solution to Puzzle No. 2,843



هكذا من الأصل

مركز الأهرام

Covent Garden

Makarova's Juliet

by CLEMENT CRISP

If Juliet lives in MacMillan's grand ballet it is not just because the choreography gives her the breath of theatrical life—and that "just" is an understatement—but because interpreters can fuse their identities with hers. With Natalia Makarova this finding of a self within the role is a piece of dance theatre that calls for every superlative left over from Lynn Seymour's reading. There is no point in comparing two marvels of our age: I can but be grateful that we are fortunate enough to see them both, and record that on Wednesday, in the second of her two performances this season, Makarova was magnificent, and that with Anthony Dowell's Romeo the drama was as thrilling as it has ever been.

Fascinating the way Makarova maintains the image of Juliet as little more than a child throughout the whole of the first act. When we first see her, how clear is the relationship with the Nurse. She hides behind her when Paris is presented, and at the ball there is still this childish reliance as a sustaining thread to the characterisation. But with the first sight of Romeo we are made aware of the dawning of an obsession: from then on he haunts her consciousness, her eyes seek him out, finding him everywhere in the formal patterns of the gavotte. Even so, disquieted by an attraction she cannot understand, she remains the essence of youth in the balcony scene. Her hands reach down almost playfully to Romeo from the balcony at the beginning of the duet, and the impetuosity of her run into the garden is still girlish, even in the beautifully innocent gesture as she clasps his hands to her breast.

Makarova's glorious way with the choreography, matched everywhere by Dowell, is wonderful in its feeling of passion barely awakened: the body sings through the phrases of the movement, extended in arcs of the most thrilling beauty, while retaining a freshness and an unthinking delight in a completely new world of feelings.

By the third act all the dramatic colours have darkened and become more intense. Romeo now obsesses her totally, and the rejection of Paris, the storms of doubt and despair, are caught in poses of marvellous expressive force. Then the slow, faltering walk to the bed, where there comes a sudden access of strength—Makarova's body, in that long-held contemplation while the Romeo theme sings from the orchestra, is at first bent, then gradually straightens with resolve—and a hectic, fevered run to Friar Lawrence's cell. The potion scene that follows is an extraordinary display of dramatic nuance, from terror to resolution, culminating in the swift drinking of the draught. In every gesture, with every movement, Makarova finds truth, and that inevitably that is the gift of only the greatest dancers.

From Anthony Dowell a performance no less deserving of acclaim, and, in a most interesting début, a bright and completely convincing account of Mercutio from David Wall. A performance, in sum, to treasure.

Queen's

Otherwise Engaged

by B. A. YOUNG

Alan Bates, as the successful young publisher Simon Hench, is on stage from curtain-rise to curtain-fall, trying to play records of *Parsifal*, but constantly distracted by the entry of some character with a problem to resolve. The play is a series of duologues as Simon copes with his brother, his lodger, his wife, his friend, his friend's friend and the man whose fiancée he has lately seduced.

Cornme McCarthy

Alan Bates

The plot is as intangible as the plot of *The Contractor*. Each of Simon's visitors presents a sub-plot. Dave the lodger (Ian Charleson) is a stupid militant sociology student and a nuisance in the house. Brother Stephen (Nigel Hawthorne) is worried over a school appointment. Julian Glover as Jeff, a drinking and sinking *homme de lettres*, has woman trouble, and Davina (Jacqueline Pearce) is the trouble incarnate but also author of a promising book. Bernard Wood (Benjamin Whitrow) an apparent stranger, is the lover of a girl whom Simon has had in his office, and Simon's wife Beth (Mary Miller) is having an affair with someone we don't see.

Whether these problems concern Simon or not, he fends them off with an elegant show of indifference. Beth, realising that her affair has been revealed, says "In other words, you know." "In other words," Simon replies with diamond impassivity, "can't we confine ourselves to the other words," and this is his defence against all attempts to get under his guard. Told that Beth's lover would like to leave his wife but that she is under psychiatric treatment and their daughter is autistic, he says "I'm sorry. I quite see why he wants to leave them." It is the sum of all these clever evasions, no matter how great the suffering they cause, that build up the character of Simon and act as a main plot, as the erection of a tent served for a plot in *The Contractor*.

Much of the dialogue is in Simon Gray's well-observed professorial manner, an ideal medium in which to conceal emotion. The part of his hero can't be an easy one to play, for it calls for a glacial detachment throughout. I was not immediately moved by Alan Bates, for Simon, I think, is not meant to move me; it is his several interlocutors who bear the emotional burden, and it is through them that we feel our antipathy for this iceberg of self-regard. Mr. Bates maintains his unvarying cool with superb imperturbability, handling his debonair conversation with great skill.

Under Harold Pinter's impregnable direction, the company set a standard of performance that is a credit to our theatre. I was most touched by Mr. Hawthorne's Stephen, a born failure overshadowed by the easy success of his younger brother, and by Mr. Whitrow as the lover of the girl Simon seduced in his office—another failure, in the same mould as Stephen, though prone to give in where Stephen will go on trying. Whether he would ever give in quite as totally as Mr. Gray makes him, I rather doubt. But his final speech chimes interestingly with an earlier event in the play, which I suspect is more carefully constructed than its rambling progress makes it seem.

Albert Hall

Boulez by DOMINIC GILL

Pierre Boulez's concert with the BBC Symphony Orchestra on Wednesday evening was his last as their chief conductor. He goes to Paris to direct IRCAM—the newly-founded Institut de Recherche et de Coordination Acoustique-Musique, still in its infant stages, but already full of exciting promise. In London, Rudolf Kempe takes his place.

It would be wrong to give a valediction. Boulez remains chief guest conductor of the BBCSO, and we hope to see him often still. But there was all the same on Wednesday a sense of an era passing: and a strangely small audience (if to compensate, warmly enthusiastic) to greet the one who has done as much as, and in some ways more than, any man this century to change, and educate, the face of British music. A certain sense of foreboding, too, which only time will deny or justify: where now a Glockless, Boulez-less, penniless BBC?

Boulez began his programme with a short new work by Berio, *Ora*, scored for symphony orchestra and for the eight voices of Ward Swingle's new ensemble, Swingle II. It's a busy, cloudy piece, around 12 minutes long—busy with curls and swirls of instrument and voice, sudden eddies of question and answer, vanishing as quickly as they come, that reminded me at times of nothing so powerfully as the busy backcloth of sound which emerges through the gauze curtain from behind Stockhausen's *Trans*; cloudy of texture, a focus constantly shifting, d a p p l e d music shot through with grains (and sparks) of soft colour, swelling at last into a sudden, final, arresting chord. Odd, but likeable: a second hearing would doubtless reveal more detail, more cogent shape.

It was interesting to hear after *Ora* the more precisely shifting ground of *Kontra-Punkte*, Stockhausen's opus 1—that brilliant, spiky essay in counterpoint sans harmony or theme, a feast of fragments and (tantalisingly unfinished) relationships glimpsed at speed from the window of a fast-moving train. But the evening's finale was Boulez's own. *Pli selon pli* may not after all seem to be Boulez's most perfect and satisfying finished work, but its five movements surely contain some of his finest music. The second *Improvisation sur Mallarmé* — "Une dentelle s'abolit"—stands out above all, heard in context or by itself, a perfect polished gem: a marvellous centrepiece, bright as crystal, delicate as air. A notable performance of this; and of the haunting third *Improvisation* also, its longer, broader melismas very sweetly drawn by Phyllis Bryn-Julson, an American soprano singing in London for the first time.

Cinema

July is the cruellest month

by NIGEL ANDREWS

Posse (A) Plaza
The Tempter (AA) ABC Bloomsbury

Silly seasons in the cinema come no sillier than the one presently in progress in London. For filmgoers and film critics, July is the cruellest month; breeding yawning gaps in the Press show schedule (the weekly quota down from four or five new films to one or two), a rash of Anglo-Italian co-productions (always a sign of bad times); and last-minute postponements of opening dates by distributors who doubt their ability to compete with that rare English phenomenon, a spell of sunny weather. All these are items that conspire to make a film critic's job something of an exercise in illusionism. The hat is empty, but he is still required to pull rabbits out of it; and if the rabbits are not forthcoming, week by week, he receives few thanks either from his readers or from the publicity-hungry industry he is writing about.

Fortunately, even when there is nothing to be conjured out of the new hat, there is usually plenty to choose from in the old. The fringe cinema scene in London has never been brighter and busier than now; and anyone who cares to devour the cinema pages of Time Out (well worth devouring) will know that the new releases are merely the tip of the iceberg—that most of the best films to be seen in London are the old, and not-so-old, films regularly revived in late-night showings at the Paris Pullman or the Gate cinema; and in seasons at the National Film Theatre, the Electric Cinema Club or the ICA.

*

At present the Electric is offering best value for money. Their season of films collected together under the heading "Censorship—And Why" (each of them has had a brush with the British Board of Film Censors during some period of that august body's history) is a cornucopia of good things. The coming week's programme includes Peckinpah's masterpiece *The Wild Bunch* (somewhat confusingly double-billed with *The Wild One*, the 1950s bike movie starring Brando which was kept off British screens for years because it was thought to be an incitement to juvenile delinquency); three films by Anthony Balch, the independent British distributor and film-maker (including *Horror Hospital*, one of the best spoof horror movies in recent years); and the *Dr. Mabuse* trilogy, a rare chance to see all three parts of Fritz Lang's epic study in Teutonic villainy on the same day (Sunday, August 3).

The National Film Theatre is going through one of its less adventurous phases at the moment: a season of old and oft-run favourites including *Death In Venice*, *Casablanca*, *L'Enfant Sauvage*, *Mouchette* and *Marnie*. This evening, however, if you can still beg, borrow or steal a ticket, there is a showing Kenji Mizoguchi's *The Loyal Forty Seven Ronin of the Genroku Era*, a Japanese classic that the NFT has not shown since 1963 and that is one of the small handful of films by Japan's greatest director that are still in current circulation. 230 minutes long (and showing at the NFT with a half-hour interval), it promises at least to be something of an event.

The ICA cinema has three items worth seeking out this week-end. *Aguirre, Wrath of God* (Saturday at 9.00) is Werner Herzog's brilliantly sardonic account of the Spanish conquistadores' progress through Peru, and the epic folly of their search for the lost city of El Dorado. *When The People Awake* and *Chilean September* are two lucid and powerful political films from South America (Sunday at 5.00). And the showing of Bertolucci's *Partner* (Sunday at 7.00) is a chance to catch an intriguing early work by the director of *Last Tango In Paris*. Based on Dostoevsky, the film stars Pierre Clementi in a double role as a young man and his "doppelgänger." The film is more like a talented sketch or impromptu than a fully realised work (throwing out movie allusions to such diverse influences as Godard and Jerry Lewis), but it shows Bertolucci to have been a director well worth watching long before the critical storms broke over *Last Tango*.

Back on the new releases scene, meanwhile, there is at least one bright spot on the horizon: Kirk Douglas's *Posse*. In his excellent book on Westerns (Cinema One. £2.40) Philip French has shown how recent examples of the genre have reflected the political climates in which they were made: the Kennedy Western, the Goldwater Western, the Buckley Western, the Johnson Western, etc. If French's theory is a valid one, *Posse* undoubtedly qualifies as the first Nixon Western. Here is a U.S. Marshal (Kirk Douglas) using every trick of self-publicity in the book to ensure the success of his bid for election to the U.S. senate: here is a close-knit band of followers who prove strangely fickle and unsavoury in the aftermath of their leader's fall from grace: and here are the stupefied townspeople — the silent majority 1890s-style—looking on in dumb amazement as the reins of power pass in one climatic showdown from their discredited leader to his successor.

Kirk Douglas in 'Posse'

The story has a cat-and-mouse ingenuity that does full credit to screenwriters William Roberts and Christopher Knopf. Douglas plays ageing U.S. Marshal Howard Nightingale, whose last, bold stroke before his hoped-for election to the Senate is the capture of notorious train robber Jack Strawhorn (Bruce Dern). Clapped behind bars in the town where Douglas makes his last, stirring pre-election speech, Dern appears to be a safe feather in the candidate's cap. But no sooner has the prisoner been embarked on the train that is to take him to trial in the next town, than he breaks free, hijacks the train, and leads Douglas and his posse a merry dance which finally leads all three parties back to the town they started from. Here, having captured Douglas, Dern holds him hostage in an upstairs hotel room, and from this vantage point sets about his ingenious and unscrupulous plan to win over the Marshal's posse.

Douglas, in only his second film as director (the first was the ill-fated *Scalawag*), puts scarcely a foot wrong. A malicious, slow-burn comedy is wrung out of the scenes between himself and Dern: the one fierce, grizzled, arrogant, determined, the other biding his time with a sly, mock-obsequious humour. In the action department, furthermore, the chase sequences are hard to fault. For all the bluff, double-bluff and counter-bluff of the participants' strategies, we never lose sight of the momentum of the chase, and the crazy humour injected into scenes like the siege of Dern's gang in a mountain shack (bodies hitting the deck like ninepins as men suicidally expose themselves at open doors or windows) is in keeping with the burlesque element that breaks now and then through Douglas's pompous electioneering manner.

The film's cynicism—the clean contrast of villain and hero degraded to a choice between a runaway criminal and a vote-catching, bullying lawman—is perfectly crowned by the final scene in which Dern, leading the posse out of town like some frontier pied piper, leaves Douglas cursing impotently in the middle of the dusty town square. Douglas himself has never been better—the clenched teeth and the metallic rasp of the voice put to the service of a beautiful study in hard-sell political aggression. He also looks like being one of those few actors—Paul Newman and Albert Finney come to mind as other recent examples—who work as effectively behind the camera as in front of it.

*

The Tempter is not such good news. This Anglo-Italian co-production stars Glenda Jackson as the sister in charge of a weird Roman convent which counts among its salvation-seeking occupants a repressed young Bolivian widow (Lisa Harrow), a guilt-haunted Polish monsignor (Arnoldo Foa), a cigar-addicted Cuban bishop (Francisco Rabal) and an Italian prince (Gabriele Lavia) who nurtures a more than brotherly affection for his elder sister. Writer-director Damiano Damiani seems to have taken a leaf out of Genet's *The Balcony*. Apart from a minor difference of setting (Genet's play takes place in a brothel) there is the same air of hothouse passion and the same concentration on a set of characters simultaneously playing out their fantasies and absolving their guilts. Genet, alas, did not write the screenplay, however, and the film's execution is a good deal less interesting than its ideas.

Princess Margaret at Danny Kaye concert

Princess Margaret is to attend the Danny Kaye concert being presented by the Variety Club of Great Britain in association with the London Symphony Orchestra at the Royal Festival Hall on Saturday, September 27.

Danny Kaye will conduct the London Symphony Orchestra and all proceeds are to be devoted to Variety Club's charity fund for sick and underprivileged children and the LSO's Benevolent Fund. He is giving his services for the Festival Hall event—*An Evening With Danny Kaye*—entirely without fee.

Open Space

Down Red Lane

by B. A. YOUNG

Timothy West sits at a table in a private room in a luxurious restaurant and eats stuffed pancakes, two dozen oysters, a steak au poivre and profiteroles, washing them down—a phrase appropriate for once—with hock, burgundy and pink champagne. Mr. West's face, as he forces this banquet into it, is a glorious study of mixed emotion: determination to enjoy this parade of good food, trepidation at the prospect of what it may do to him.

For Mr. West's face is only one end of the transaction. From lower down we hear a constant yell of protest from his stomach, played under the table by the patient Martin Coveney. This dialogue is really all the play contains, and no one could pretend that it is important or serious. But it is written by the late B. S. Johnson, a guarantee of truthful and entertaining composition, and the direction (which also includes an impassive performance by Simon Callow as the waiter who plies his customer with the courteous deceptions of his trade) is by John Abulafia, a reliable performer in this ambience.

You may say that to give up luncheon for the theatre, and then to be confronted by this orgy, is self-torture beyond the call of duty; but Mr. West, who still wears a suggestion of monarchy about him, is certainly worth a luncheon. (But why do managements never put on pleasant little shows like this as curtain-raisers, rather than extending the interval to 20 minutes as the current practice seems to be?) In any case, there is a little snack-bar at the Open Space where enough nourishment can be taken to keep the extremes of jealousy at bay.

Hugh Beaumont Award for Tim Fywell

The Hugh Beaumont Award for the best young director of a production outside the West End has been awarded this year to Tim Fywell for his production of *Hitting Town* by Stephen Poliakoff, at the Bush Theatre last April. The award consists of £300 and is in memory of Hugh (Binkie) Beaumont, the former head of H. M. Tennent Limited, who died two years ago.

Tim Fywell is 23. He has directed other plays by Stephen Poliakoff, with whom he was at Cambridge, including *The Carnation Gang* and *Heroes*. While at Cambridge, he directed Arrabal's *The Architect and the Emperor of Abyssinia* in a production that attracted good atention at the 1973 Edinburgh Festival, and he is to direct it for the Young Vic later this year.

The awarding panel consists of the Directors of H. M. Tennent, Harold Hobson, Peter Ansorge, Irving Wardle, Barry Hanson and B. A. Young.

WORLD TRADE NEWS

OUTLINE PROPOSALS GO TO COUNCIL OF MINISTERS

European Export Bank plan

BY DAVID CURRY IN BRUSSELS

ON THE face of it the time seems hardly propitious to launch a plan for a Common Market export bank. Just three months ago the export finance bodies from the EEC, the U.S. and Japan failed to reach agreement on proposals to establish very modest controls on the provision of credit.

The Community countries themselves are poles apart in the systems of export credit they operate and the philosophies which motivate them. On top of that the member Governments—particularly those which normally have to pay the heaviest part of the bill—are inhospitable to ideas which involve spending more money on Common Market policies.

Limited role

However, despite the Commission's rather grandiose description of the scheme as part of the policy of restoring momentum to the causes of economic and financial integration, the outline proposals for a European Export Bank (which have been sent to the Council of Ministers) deserve serious attention.

They deliberately avoid spelling out the detailed constitution of the proposed bank, which will be worked out later in consultation with existing financial institutions and member Governments. The proposals concentrate instead on defining very closely a severely limited and circumscribed role for the bank. The emphasis is entirely on providing a practical solution to a practical need in a specific but increasingly important area of export finance—the multinational contract.

Independent

The function of the bank would be to finance capital goods export contracts of between five and ten years length of credit, of high value, and involving suppliers in more than one community country. It would finance one contract in a single currency with one set of payment conditions and be subject to one law, on both a buyer credit and supplier credit basis.

The bank would be an independent Community institution, its capital being subscribed by public authorities, with or without private participation. No figure is given for the initial capital. The bank would raise the funds for its lending from the market, which means that its solvency would have to be guaranteed by the Community to enable it to enjoy the highest credit rating. Normally, it would provide only part of the finance for a contract, with private institutions or commercial banks providing the remainder. The bank would offer full export credit insurance facilities.

The currency in which the bank would lend has not been detailed. In practice the choice is between the unit of account and the Special Drawing Right with the former heavily favoured. The degree of risk which the bank would insure is not spelled out, but it would re-insure risk back with the credit insurers of member states in proportion to the proportion of a contract being undertaken by that country's suppliers.

The rates of interest would almost certainly be subsidised but the criterion would be the highest rate which would be competitive with Japan and the U.S. The bank would probably be required to break even.

"The European export Bank would keep its financing role to the minimum necessary and should wish to take advantage of the present expertise of the banks in assessing project" as well as inviting the commercial banks to continue to play their present role in providing a certain percentage of export finance. For example, that could be done by financing the earlier maturities of a credit against a guarantee, leaving the EEC to finance the later maturities, the document states.

Exchange risk

That, in short, is the outline the Commission has proposed in the form of a green paper. Although almost every detail of the bank's operations has still to be written in, it is clear from an examination of the existing facilities for financing multinational deals that one issue will be the make-or-break question for the bank. It is whether a system can be worked out to overcome the exchange risks involved to suppliers in any contract where the participating companies are receiving payment, over long periods, in currencies other than those in which they incurred their costs.

Under present arrangements multinational contracts may be financed by channelling separate foreign currency streams to a single buyer, each supported by different national financing bodies. Collaborative schemes exist which provides a make-shift answer to the problems of multinational contracts by allowing for reciprocal cover, co-insurance, reinsurance, and special financial packages.

These arrangements, however, do not solve the exchange rate question. The only way to do that would be for each member state to authorise its export credit and insurance bodies to finance and pay claims in foreign currencies. At present none of the EEC countries permits this.

Alignment

Furthermore, under these collaborative schemes suppliers are faced with the need to sign a number of supply and financial contracts as part of their role in the consortium, while the consortium itself is facing competition from the Japanese and U.S. combines offering single-currency financing.

In addition, the history of credit harmonisation in the EEC, with the widely differing finance systems of member governments and sharply diverging philosophies behind them, offers little hope that the necessary structural and ideological alignment to permit a much simpler system of cross-frontier financing could be achieved.

An export bank would not be dependent on the further co-ordination of national practices while, conversely, the agreement between member states on the terms on which it would operate would itself tend to establish a norm for more general eventual harmonisation.

A second available current technique for financing cross-frontier contracts is to resort to the Euromarkets. That does permit single-currency financing, but the money is at floating and not fixed rates and is not subsidised. Relatively few companies have access to the Euromarkets, and the problem of exchange risk remains unsolved.

Suppliers can recover their costs in their own currencies by forward sales of the payments they are due to receive from the buyer. But, in practice, it would be impossible to sell forward over the very long periods involved in a high-value contract without complex roll-over arrangements.

In addition, the forward market is dependent on the relative movement of interest rates around the world and is liable to suffer sharp contractions in certain currencies. In any case, it is possible to make a market only in a limited number of important currencies.

Technical task

The Commission could, then, be fairly sure of its ground in asserting that there is a technical need for an alternate system. The crucial question is whether it can itself, once it has got the Council of Ministers interested in the principle of an export bank, solve the technical difficulties of the exchange rate risk.

The task is a stiff one because it hangs on the ability to find a currency with a clear-cut value to finance the bank's operations. In other words, the solution to the exchange risk problem envisages a degree of monetary union which does not yet exist in the EEC. Although the Commission is projecting the bank as a step along the road to monetary integration, it is a moot point whether the bank would not itself depend on closer integration to fulfil its major purposes.

Other problems apart from the exchange risk question are certainly capable of resolution as much on a political as technical level. There is nothing inherently insoluble in questions of interest rates, levels of subsidy, degrees of risk taken, capitalisation, recourse, re-insurance and the code of law to govern contract disputes. The limited role of the bank might encourage Governments to reach agreements on those points without compromising possibly radically different philosophies inspiring their national export support schemes.

The Commission is at pains to point out that member Governments are not being asked to embark on an open-ended financial adventure. Hence the emphasis on the banking character of the proposed institution, the aim of breaking-even, the minimum initial capitalisation and the low intended degree of subsidy, it is also actively voting for support from existing financial institutions by its insistence that it wishes to work hand-in-glove with existing financing bodies such as commercial and banks and clearing houses. Their expertise in the putting together and management of contracts would be a vital ingredient in the new arrangements.

Political prospect

The political prospect for the export bank plan may well turn not merely on the willingness of Governments to finance the new body but on their conviction that it would increase exports and not merely provide an alternative source of finance for contracts which would be won in any case.

The Commission argues strongly that contracts in the past have been lost because of the inability of Europe to compete with U.S. financing (lost airbus sales are believed to have been specifically mentioned).

It stresses the prospect of the EEC facing a widening payments deficit because of the new patterns in trade following the oil price increases, and makes much of the opportunities for trade with countries devoting new sources of wealth to industrialisation.

In particular, implicitly and explicitly, the paper hammers *home the point* that in the increasing competition for export orders the EEC must be able to match the terms being offered by the U.S. and Japan in structure as well as quality.

Time schedule

The Commission is hoping that the Council of Ministers will agree to the principle of the bank before the end of the year, by which time the various bodies already in the field will have been consulted and Brussels will be in a position to put its ideas together in the form of a draft directive. At the outside, it is hoping to get the go-ahead by next March, but even that may be optimistic.

The point the Commission must make is that what is proposed is intended as a Community solution to a practical problem, without explicit implications in the area of harmonisation, and which will improve the quality of EEC financial support for exports without giving a new twist to the credit war.

As for its ultimate success the only criterion could be the business it attracts, a criterion which even in the post laissez-faire Europe should still enjoy a certain validity.

IN BRIEF

Hovermarine

Plans for a British-designed hovercraft to be built in Japan have been announced by Hovermarine Transport, Southampton.

Hovermarine Pacific has been formed initially to sell Hovermarine's HM2 60-passenger hover-ferry, to be supplied from Southampton, and from Florida. In 1976, manufacture of the HM2 will begin at Sasebo, on the Japanese island of Kyushu. A year later, this plant will be extended to produce the new 200-passenger Hovermarine HM5.

Toys for Russia

Dunbee-Combex-Marx has negotiated a £2.5m. exchange deal with the Soviet Union to supply toy moulds and "know-how." The Russians will pay cash, which will then be used to buy Russian-made toys for sale both in the U.K. and in the company's export markets. The ten-year agreement is believed to be part of the £950m. trade deal agreed between Mr. Wilson and Mr. Brezhnev in February. As well as covering DCM's own range, which includes Hornby trains, yo-yo's and Barbie dolls, the deal also gives DCM exclusive right in the Russian market to sell any make of British-made toys other than die cast. Within one year of the British moulds going in Russian machines it is estimated 100m. toys will be produced.

Container trade

A "broad agreement" regarding Overseas Containers' representation in the U.K. and South Africa for the container service to operate in the South African trade from 1977 has been reached with South African Marine Corporation. OC will operate the Union Castle and Clan Line interests and act as sales and inland operating agents for Safmarine in the U.K., for Safmarine representing OC in South Africa. Safmarine will retain full corporate identity in the U.K.

Coal for Sweden

Swedish government is considering importing Australian coal as an alternative to Polish for the Swedish State-owned steelworks in northern Sweden and for the Granges-Oxelosund steel concern. Sweden and Poland failed to reach agreement on coal supplies earlier this year as the Poles want long-term cheap credit to finance expanding output.

Israel oil store

An experimental underground oil storage reservoir capable of holding 18,000 tonnes of crude, is to be constructed at Ein Sik, in the southern Negev, Israel. If the results are positive, it will be expanded to a capacity of 300,000 tonnes, according to Dr. Zvi Dinstein, the Israel government adviser on oil affairs. At a later stage the possibility of storing oil products underground will also be investigated.

Mitsubishi Bank

Mitsubishi Bank of Tokyo is setting up a representative office at Toronto to provide financial informaion to Japanese and other companies doing or wishing to do business in Canada. The bank also hopes to arrange joint ventures between Canadian and International companies and to aid Canadian institutions wishing to raise capital in Japan.

Air cargo

ASA Aeroservices, air charter brokers, has negotiated with British Caledonian Airways the right to a minimum 3,600 hours flying time by Boeing 707-320C aircraft over the next 12 months, *enabling ASA to guarantee* shippers aircraft availability at short notice for single entity and split charter flights world-wide.

Canadian car sales

Sales in Canada of North-American built cars rose 1.5 per cent. in June to a record 84,449 units (83,233 in June, 1974). General Motors of Canada sold 40,766 cars, up 10.4 per cent.; Chrysler Canada 21,104 (13.3 per cent. more); Ford of Canada 18,701 (down 12.5 per cent.) and American Motors (Canada) 3,878 units (13.8 per cent. decline).

AMERICAN NEWS

Simon proposes end to double equity taxation

BY ADRIAN DICKS

WASHINGTON, July 31.

THE FORD administration proposed to-day fundamental changes in the taxation of equity income in order to encourage an increase in net new private investment of some $15bn. a year by 1982.

Details of the administration's thinking were presented to the House Ways and Means Committee, which is currently working on long-term tax reform legislation, by Mr. William Simon, the Treasury Secretary. He told the Committee that the present double taxation of equity income at both the *corporate* and the individual level was unfair, was discriminating against smaller shareholders, and was adding to the bias in favour of debt financing by companies.

Mr. Simon proposed the elimination of the two-tier tax on equity income as a step that would bring the U.S. into line with other industrial countries, and suggested that it could be done progressively over a five-year period starting on January 1, 1977.

He called for a combination of a dividend deduction, lowering tax liability at the corporate level, with a mechanism of stockholder credit, to *eliminate* the double tax element. He told the Committee, however, that he did not favour allowing a tax credit on dividend income received to be extended to foreign holders of U.S. equities.

The Treasury Secretary said that the administration was willing to be flexible on the rates at which these two tax cuts would be applied, but suggested that for the sake of simplicity, the stockholder credit should be set at 50 per cent. Thus an individual taxpayer, Mr. Simon said, would "gross up" his dividend by adding to his taxable income an amount equal to 50 per cent. of the dividends he receives, and would then take a tax credit equal to the gross-up.

Abolition of the double tax portion of the present system of taxing equity income would cost the Treasury about $2.5bn. in corporate liability in 1977, the first year of the scheme, and about $1bn. more each year thereafter up to 1972, Mr. Simon said. The stockholder credit proposal would cost about $1.25bn. a year.

Mr. Simon, who has run into strong opposition recently for his advocacy of lower taxation *of* the corporate sector, defended his proposals on several grounds. He said the reduction in dividend liability would help companies' cash flow and assist American companies in their international competitive position. It would encourage equity financing, stimulate competition in the capital market for savings, and indirectly benefit savers of all types as well as owners of equities.

BEAME DELAYS WAGES DECISION

NEW YORK, July 31.

MAYOR ABRAHAM Beame has delayed until to-day a decision on whether to freeze wages for New York's 330,000 civil servants following signs of progress towards a voluntary austerity package in talks between the city and trade unions.

The Mayor was set to impose the freeze yesterday, but postponed a decision after a plea from Mr. Victor Gotbaum, leader of the state, county and municipal employees union representing 100,000 workers. Mr. Gotbaum said, after yesterday's talks that there was "Hope for progress." Reuter.

Ford in dilemma over oil de-control

By Adrian Dicks

WASHINGTON, July 31

PRESIDENT FORD faces a difficult decision over whether to carry out his earlier threats to veto Congressional legislation extending domestic oil price controls after they expire on August 31.

Last night the President suffered a humiliating defeat at the hands of the House of Representatives when it voted *both* to reduce to $7.50 a barrel the new domestic crude now selling at about $13 a barrel, and also to block the President's most recent plan for the progressive lifting of all price controls over the next 39 months. "Old" domestic crude, about 60 per cent. of total production, now sells at $5.25 a barrel. The House to-day followed up last night's vote with another extending controls until March 1 next year.

The House votes appear to have killed any remaining hope of compromise on oil pricing between the White House and the Democratic majority in Congress. Mr. Frank Zarb, the Federal Energy Administration, said that the votes would demonstrate to the leaders of the oil producing countries at their meeting in September that "we do not have a policy, that Congress could not come to grips with the hard issues." He predicted that Mr. Ford would veto the House Bill rolling back "new" oil prices.

However, the President cannot overturn the rejection by the House of his own proposals. If this stalemate persists, controls would theoretically lapse in a month's time, leaving prices free to rise to world levels. The Senate Finance Committee has completed a "windfall profits" tax scheme, providing rebates to consumers, that would meet this eventuality, but meanwhile Senator Henry Jackson and other Democratic leaders have openly taunted Mr. Ford with bluffing in his threats to veto their action-prolonging controls.

During debate yesterday and to-day, many liberal Democrats made plain their fear that the immediate result of approving the phasing out of price controls, even at the gradual rate Mr. Ford has proposed, would be "a vote for our own retirement." In fact the President carefully calculated that the main increase in retail prices which his plan would have caused would not have been felt until after the 1976 Congressional—and Presidential—election.

If Mr. Ford does now carry out his veto threat and attempt to throw the blame on to the Democrats, as Mr. Zarb's remarks suggest he will, the *stage will be set for a bitter* round of mutual recrimination for the higher prices that could follow the expiry of controls in a month's time.

$20m. plan to boost Bahamas economy

By Our Own Correspondent

NASSAU, July 31.

PRIME MINISTER Lynden Pindling has announced a $20m. development programme to stimulate the Bahamian economy and alleviate unemployment. "Project Impact" will concentrate on such labour intensive industries as agriculture, fisheries and low-cost housing construction.

"All operations are being organised in such a manner as to provide as much local employment as possible, both in New Providence and the Family Islands," Mr. Pindling said. He told Parliament that there were indications that the recession was bottoming out in the Bahamas. The Government had therefore decided that this was the most propitious time to speed up economic recovery and so place the country in a better position for real economic growth when the world economy recovers, Mr. Pindling said.

The Government has also made short term plans to alleviate the water shortage which is having serious repercussions on the tourist industry, he aded.

$4.5bn. CRASH DAMAGES SOUGHT

NEW YORK, July 31.

A RECORD $4.5bn. damage suit has been filed in the *Brooklyn Federal Court* against Eastern Airlines and the Boeing Company on behalf of relatives of victims of last month's aircraft disaster here.

Sra. Peron under pressure after new guerilla attack

BUENOS AIRES, July 31.

URBAN GUERILLAS delivered a new blow to the shaky Government of Argentine President Sra. Maria Peron with a two-hour shooting, bombing and burning rampage in the industrial city of Cordoba last night.

Three policemen were killed as Montoneros—dissident Peronists sworn to overthrown the President—took over several streets in the city centre. Shops and cars were set ablaze. Police shot from behind street barricades, while the Provincial Government House also came under fire.

The attack coincided with the Government's latest effort to get the country under control. Economy Minister Pedro Bonanni—the fourth man to hold the post since June 1—announced on television that the President was for the first time inviting the armed forces to help work out emergency economic *measures*.

Sr. Bonanni said the balance of payments was in deficit, foreign currency reserves low, the budget deficit soaring and inflation out of hand.

Fifty thousand doctors and thousands of dentists were on strike yesterday to demand higher pay, busmen in Buenos Aires announced a strike for *Friday to demand* higher fares, and police in San Luis province went on strike claiming they were hungry.

Reuter

Robert Lindley writes: Charles Lockwood, who was ransomed for $2m. after being held for seven weeks in mid-1973 by the Marxist People's Revolutionary Army (ERP), was kidnapped again near here to-day.

Mr. Lockwood, a 65-year-old British industrialist, apparently was not hurt when his car was ambushed this morning in Caseros—15 miles north-west of Buenos Aires. Police believe his ambushers to be guerillas, and *the speculation here is that they* are members of montoneros, the other major guerilla group in Argentina.

Peru state co-operatives move

LIMA, July 31.

GENERAL JUAN VELASCO, President of Peru, in his annual State of the Nation address on Peru's Independence Day announced the transformation of the country's agricultural co-operatives and other associa*tions of farmers* and *peasants* into social property enterprises, the new form of state co-operatives which, according to the Government's long-term plans, are to become the predominant sector of the economy.

The change will mean that the agrarian co-operatives will now belong to all the workers in social property companies throughout the country, instead *of to the members of* each co-operative, and the workers' share of the profits will be distributed on a nation-wide basis among social property workers.

THE END OF THE OAS BOYCOTT OF CUBA

Eleven years too late

BY ALAN RIDING IN SAN JOSE

MEXICO'S Foreign Minister Emilio Rabasa euphorically called it "a day of liberation" for America, but most delegates who witnessed the ending of Latin America's boycott of Cuba here in Costa Rica this week felt it was simply "a day of vindication" for Havana.

Of the 16 countries that voted on Tuesday night to allow members of the Organisation of American State (OAS) to "normalise" their relations with Cuba, all but Mexico had accepted the 1964 resolution suspending diplomatic, consular and trade links with the Castro Government. Yet, in the past *three years, six of those countries* have unilaterally re-established relations with Havana, while the remaining nine, including the U.S., have at last come to recognise the futility and failure of the boycott.

The chief beneficiary of maintaining the formal embargo for so long has in fact been Havana because, increasingly so in recent years, the Cuba issue has served to irritate U.S.-Latin American relations, paralyse the OAS and encourage the growth of new regional fora where Cuba participates and the U.S. is excluded. As a result, the lifting of sanctions probably comes too late to *rescue the OAS as a meaningful* instrument for regional dialogue and co-operation: the decaying tooth has been removed, but the infection has already spread through the body.

More than any country, the U.S. is to blame for the damage caused by the Cuban issue to inter-American relations. By the late 1960s, for example, it was amply clear that the boycott itself was neither going to topple the Castro Government nor discourage it from supporting regional revolutionary movements. But between 1969 and 1974, Washington's policy towards Cuba was more a function of President Nixon's personal phobia towards Dr. Castro and his friendship with Cuban exiles than of rational assessment of national interest and continental sentiments.

The Ford Administration, on the other hand, has been less emotional about Cuba, but has chosen to see the problem in the light of domestic rather than inter-American politics. At the OAS meeting in Quito, Ecuador, last November, for example, the U.S. abstained from voting on a resolution to revoke the anti-Cubo measures of 1962 and 1964. As a result, proponents of the initiative fell two short of the 14 votes needed for a two-thirds majority. And in March this year, Dr. Kissinger's "new dialogue" with Latin America floundered in part because Cuba was excluded from a meeting scheduled for Buenos Aires.

How they voted:—

For: Argentina, Bolivia, Columbia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Mexico, Panama, Peru, Trinidad and Tobago, United States and Venezuela.

Against: Chile, Paraguay and Uruguay.

Abstaining: Brazil and Nicaragua.

In Costa Rica this week, however, a different so-called "freedom of action" resolution was worked out to accommodate Washington's desire for a "hands-off" approach to the problem. Thus, while the 1962 and 1964 resolutions remain on the books, each individual OAS *member was freed to determine* its own policy towards Cuba. U.S. support for this compromise meant that Haiti, Bolivia and Guatemala also voted affirmatively (along with the original 12 from Quito), Brazil and Nicaragua merely abstained and only Chile, Paraguay and Uruguay still rejected this de facto recognition of Cuba's return to the inter-American community.

But for the U.S. Cuba remains a difficult and divisive issue. After all, not only is the Cuban exile lobby vocal and influential, but about 5,000 U.S. citizens are still awaiting compensation for properties worth over $1bn. expropriated following the Cuban revolution. With President Ford worried by the Conservative challenge to his re-election from former Governor Reagan of California, the White House is unlikely to offer a vulnerable liberal flank to the domestic Right by seeking an early rapprochement with Cuba.

A further obstacle to serious negotiations with Cuba is Havana's demand that the U.S. embargo first be lifted. While the OAS may have given Washington "permission" to normalise its relations with Cuba, Havana remains black-listed in numerous U.S. laws which must first be revoked by Congress. As a result, while the Ford Administration may use executive powers to send occasional new messages of "better-will" to Havana, there is little prospect of a major initiative by Washington on the Cuba problem until after next year's Presidential elections.

Cuba, on the other hand, cannot be dissatisfied with the present situation. In the Americas, it now has formal ties with Mexico, Argentina, Colombia, Panama, Peru, Venezuela, Trinidad and Tobago, Guyana, Jamaica, Barbados, the Bahamas and Canada (the last five of these countries did not vote here this week because they are either not OAS members or did not join the boycott). And as a result of the OAS resolution, Costa Rica, Ecuador and perhaps Honduras will also soon recognise the Castro Government.

Among its immediate neighbours, Cuba has been invited—and has agreed—to establish closer commercial links with the new Caribbean Common Market and Prime Ministers Michael Manley of Jamaica and Eric Williams of Trinidad and Tobago have both recently visited Havana. Within the broader regional community, Cuba is also an active sponsor of the Mexican-Venezuelan initiative to create Government-owned multinational corporations through the so-called Latin American Economic System (SELA), a new organisation that will formally come into existence this weekend in Panama City.

Cuba's growing economic links with the rest of Latin America and the Caribbean have the added attraction of reducing its direct dependence on the Soviet Union and Comecon, to which it is deeply indebted. Cuban officials make no secret of the crucial role played by Soviet planners in helping reorganise the Cuban economy over the past five years, but there is also recognition that some necessary capital goods and raw materials could be more cheaply acquired in Latin America. For example, Mexico, whose President Echeverria will visit Havana in mid-August, is already supplying Cuba with some petroleum as part of a cost-saving arrangement with Moscow. In the short-run, though, the expansion of Cuba's trade with the region is limited by the island's ability to export products needed by Latin America.

From a political point of view, however, any and all links with Latin America will serve to strengthen Cuba's eventual bargaining position with the U.S. *Having seen the "new dialogue"* go the way of previous rushed attempts to rescue U.S.-Latin American relations, Washington is now hoping that this week's meeting will breathe new life into the OAS. But Cuba is still excluded from — and contemptuous of—the organisation and there is no reason to suppose that the faith of other Latin American countries has suddenly been rekindled. In fact, while Washington's association with Latin America remains fraught with misunderstanding and frustration—for example, Havana is certain to exploit the next *pressing inter-American* "issue" of Panama's demand for a new Canal treaty from Washington—Cuba's "new dialogue" with Latin America is becoming increasingly coherent.

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EUROPEAN NEWS

New Lisbon Government formed says President

BY JANE BERGEROL LISBON, July 31.

PORTUGUESE President Costa Gomes left Lisbon to-night for the Helsinki European Security Conference announcing that a new fifth provisional Government has been formed. However, it appears that the Prime Minister, General Vasco Goncalves, has encountered such difficulties in getting a Cabinet together tha the new troika of three generals, including the President and Copcon security chief, General Otelo, is now at work helping him out.

No announcement was made on the composition of a new Cabinet, which in any case will have to be composed without the participation of the Socialists, the Popular Democrats and leading Independent left-wingers from the fourth coalition.

At an all night session of the Supreme Revolutionary Council yesterday, its 30 members legalised the new supreme troika composed of the President, the Communist-sympathising General Goncalves and General Otelo Saraiva de Carvalho, chief of Copcon security forces.

However, there has been trouble in key Copcon units over the past few days, including the cavalry and infantry and culminating in a mutiny in the crucial Lisbon commando regiment. Following a visit last night to the Supreme Council by commando leader Jaime Neves, who complained that because of plans for a United Popular Front and a further Leftward turn of the revolution his junior officers were prompted by senior Left-wingers on the Council to mutiny. This morning, they refused him entry to the barracks.

A Copcon communiqué to-night announced that he, eight other officers and four sergeants had been "transferred to Army General Headquarters" in the interests of discipline, authority and a correct political line.

News of trouble in these key units follows last week-end's heated meetings of infantry units in Mafra. Clearly, political problems ranging from the role of the troika to the position of General Goncalves and the whole pace at which the revolution should be conducted are at the heart of the unrest in the Copcon companies. At a time when rumours of potential rightwing armed action inside Portugal, and continuing violent attacks on Communist party offices and militants, is already troubling internal security, the unrest in such important Copcon units is a worrying prospect for General Otelo.

To-day the Communist party called for "exemplary action" against terrorists attacking their party offices after a bomb exploded in Evora, hitting a house alongside the home of a Communist deputy. Its occupants were taken to hospital for treatment.

General Otelo, who returned yesterday from an eight day official visit to Cuba, is reported to have quarrelled with General Goncalves and is meeting with him to-day. Meanwhile, dissenting officers on the revolutionary council have maintained their positions within the council's specialised committees, and although they have only a consultative role now the Troika wields the power, there remaining at their posts is regarded as significant.

Another Minister resigned today from the rump of the fourth coalition Government, an independent Left-winger in charge of agriculture. Meanwhile, the Popular Democratic party issued a stringent attack on the prospects for a fifth provisional Government of military in harness with Communist-dominated MDP-CDE and Communist Party Ministers. The PPD communique, emphasising "the increasing isolation of the Prime Minister, in seeking any old second-hand Government" said that "80 per cent. of Portuguese will not identify with such a Government." It also attacked the proposed Popular Front party as "grotesque and against the political common sense of the average Portuguese."

Spanish officers 'in democratic union'

By Roger Matthews

MADRID, July 31.

THE SEVEN army officers arrested in Spain on Tuesday morning are reliably understood to be members of a loosely knit organisation called the Military Democratic Union. Estimates of the total number of members vary between 500 and 1,000, almost all of them drawn from the more junior ranks of captains but with some majors involved and even a colonel or two.

Partly confirmed rumours indicate that rather more than the seven belonging to Spain's First Military Region have been detained. Action is also understood to have been taken by the Captain General of the Barcelona region and at least one officer has been held in Pontevedra in the northwestern province of Galicia.

Two of those detained in Madrid, at the military academy in the centre of the city, have distinguished military reputations. Major Luis Fernandez Otero, an engineer, holds a senior post in the Ministry of the Army with responsibility for planning and development. His father, also an officer, was killed by the Republican forces during the civil war.

Captain Valero Ramos, a paratrooper and member of the general staff, also comes from a military background and has the nickname of "the child of Alcazar" as he was born in the Alcazar in Toledo during the famous seige by Republican forces in the civil war. He is also reputed to have considerable professional prestige.

According to one military source, all the men were together in the military academy when arrested. They are since believed to have been held incommunicado and no further statement has been made by the authorities. Under Spain's military code not more than four officers are allowed to meet without the prior approval of the Captain General's Office.

Prime Minister Carlos Arias, who is in Helsinki, hurriedly contacted his office in Madrid when the news became known. He told reporters that he could not say any more because the Telex had not been very explicit. However, he added that he had just come from Madrid and there was no need for alarm "because absolutely nothing can happen there."

Interior Minister and First Deputy Prime Minister Garcia Hernandez, on holiday in Malaga, said that the arrests "had absolutely no importance." General Franco is on holiday in Galicia and was yesterday playing golf.

The Military Democratic Union is understood to have been in existence for approximately five years and aims basically to consider in very general terms political, economic and military topics.

There is nothing to suggest the vast majority of its members are anything but young officers looking for a more professionally-based army while at the same time preferring the possibly democratic option presented by Prince Juan Carlos rather than the continuing authoritarian rule of the 82-year-old General Franco.

However the arrest of seven of their members is hardly expected to ease their criticism of the Civil War era generals still commanding the Spanish Army.

● BASQUE separatists shot and killed a taxi driver in the town of San Sebastian only hours after police had fought guerillas in five separate gunfights in Madrid and Barcelona that left at least one person dead and several injured.

The taxi driver was killed by three youths who escaped in a car scattering leaflets signed by Basque Homeland and Liberty (ETA), an underground organisation fighting for the formation of an independent Basque state.

There were contradictory reports on the number of casualties in the Madrid and Barcelona shoot-outs between guerillas and police using tear gas and sub-machine guns.

Police said one ETA guerilla was killed in Madrid and another wounded. Eight persons were arrested in Barcelona and an undetermined number in Madrid yesterday, the police statement added.

Madrid newspapers said "probably" two persons died and "several" were seriously injured in Madrid alone. In Barcelona, bullets hit and injured five bystanders during the gunfight between police and two ETA suspects who were later captured.

UPI

THE HELSINKI SECURITY CONFERENCE

Bargaining for more trade

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

THE HELSINKI spotlights are firmly fixed on Baskets One and Three of the Security Conference—the categories concerned with inviolability of frontiers and freer movement of people and ideas—so Basket Two, on economic relations, has tended to get pushed into the shadows. The "unsung basket" was how one official, who spent over a year negotiating it, called it.

But insofar as the final documents commit the signatories to anything—and this is still widely debated, because the obligations are only moral, not legal — Basket Two could lead to more and better trade, to easier working conditions for businessmen and, it is hoped, fuller East-West economic co-operation generally. This at least is what the document stipulates, and what the reviewing conference will be looking for when it meets in two years' time.

Contrary to popular belief, Basket Two was not easily negotiated. In fact the final draft was only achieved three weeks before the Helsinki conference opened, at about the same time as the crunch issues on the exchange of people and ideas were being ironed out in Basket Three. Nor was it formulated largely by the East Europeans, who had been expected to use it to obtain easier access to Western technology and markets. All but a handful of the main provisions were put forward by the EEC countries, and then modified by the Communists.

There was always some doubt as to what the talks were actually about. Whereas the West saw Basket Two as a compendium of principles governing economic relations between signatories, the East saw them more as direct trade negotiations which would commit signatories to lifting barriers, cutting tariffs and so on. Realising this, the EEC countries made it clear that these were not trade talks, because these could only be conducted on their behalf by the Brussels Commission.

This debate soon boiled down to the Comecon countries' main desire in East-West trade, to win Most Favoured Nation treatment (MFN) from the West. Their early drafts called on signatories to "ensure" or make rapid progress towards MFN, a commitment that he West could not accept, and not only because it thought the Security Conference was not the right place to make major trade concessions.

MFN, of course, can only be granted by market economies, making any concessions in an East-West context potentially one-sided. There is no way of establishing how favourably the West is being treated by a state-run economy which has no tariffs and makes all its imports by administrative decision. Willing as the West is in principle to remove barriers and quotas on trade with the East, it wants to be sure that Comecon countries will also open their doors. Quite how this can be negotiated and put into practice is still a major question in East-West trade, and plainly not one for negotiation at Helsinki.

> 'Comecon has a genuine interest in commercial exchanges, which makes it less likely that ideology or politics will intervene.'

But if there was to be mention of MFN, as the East insisted, the West wanted it qualified with mention of reciprocal treatment for their own exporters. Here the East baulked, especially at linking MFN and reciprocation in the same paragraph. In the end a cumbersome dual paragraph was achieved. It recognised the beneficial effects of MFN but also saw the expansion of trade taking place "on the basis of the modalities of economic co-operation." Western sources claim that "the modalities" include reciprocity, and that the wording avoids any commitment to MFN.

They also claim that commitments to "widen the possibilities of choice of products," to "progressively eliminate all kinds of obstacles to the development of trade," and to avoid "abrupt fluctuations in trade" are all aimed at opening up Comecon markets and reducing the scope for administrative interference. They agree, though, that as with so much of the Final Document, only time will tell whether this will bring changes.

From the western businessman's point of view, the second achievement of the Helsinki document is to commit countries to revealing more about their economies and plans, to improving business contacts and facilities and, notably, to speed up negotiations.

Greater commercial penetration of Comecon countries should be possible under commitments to give exporters better access to end users and to facilitate after-sales service and so on. It should also be easier to identify and meet the most appropriate official for a particular deal, and to set up permanent local representation.

A major Western demand under the section on statistics is that these should not only be more detailed but also comparable. East European statistics on the economy and foreign trade are often recorded according to different criteria and classification, which reduces much of their value to the West. Signatories have committed themselves to publishing economic and commercial information at regular intervals and as quickly as possible. This includes production, national income, budget, consumption and productivity indices, as well as forecasts of trade orientation and national plans.

A notable absentee is the balance of payments. The West made a firm bid for more information on this, but met with a stone wall. It is not surprising, since such information is regarded as a state secret in Comecon. Indeed, if any progress had been made, it would mark one of the major achievements of the whole Security Conference.

Apart from MFN, the East contributed most to the section listing projects of common interest. Here, the text calls on signatories to co-operate in several major fields because of their importance to the continent as a whole. High on the list are energy resources, in particular petroleum, natural gas, coal, and nuclear energy, minerals, iron ore, bauxite, exchanges of electricity on a European-wide grid, roads and container-handling. Most of these are fields in which Comecon trails the West, so the section may be seen as a clear indication of what the East hopes to get in the way of technology and help from the West in the coming years.

Also of interest to Comecon are long sections on co-operation and science and technology, which call for more activity and closer contacts, as well as more regular and detailed exchanges of information. These are seen by the West as fairly straightforward, though the text emphasises the role played by private companies just in case Comecon takes a too state-orientated view. Co-operation as the West sees it need not be done at government levels only.

Basket Two may lack the controversial appeal of the other Baskets—though the sections calling for more contacts and exchanges of personnel, and provisions for tourism and migrant labour, do cover some of the hotly disputed ground in Basket Three. But for this very reason progress seems quite likely, if only because the Russians might want to distract attention from the demands that Basket Three puts on them.

Comecon has a genuine interest in commercial exchanges, which makes it less likely that ideology or politics will intervene. However, the West will be looking for implementation of the Helsinki document as a whole, and the 1977 review conference is unlikely to allow the East to build up credit for full observance of Basket Two, to make up for a debit elsewhere.

Cyprus: 'Time running out'

BY PAUL LENDVAI VIENNA, July 31.

UN SECRETARY General Kurt Waldheim opened here to-day the third round of the Cyprus negotiations. Warning the representatives of the two sides that time was running out, he stressed the vital necessity of continuing a meaningful negotiating process. Statements made to the press by Mr. Glafcos Clerides, the spokesman for the Greek Cypriots and Mr. Rauf Denktash, the Turkish Cypriot leader, made it clear that no substantive progress was in sight and the positions of the two sides were as far apart as ever.

The Turkish Cypriots insist on a bi-regional solution regardless of the fact that Turks constitute only 18 per cent. of the island's population. Since July last year, 40 per cent. of the territory has been occupied by some 40,000 Turkish troops.

Mr. Clerides however wants to discuss first the question of the territorial boundaries and the problem of almost 200,000 displaced persons.

The two sides agreed that the agenda of the present talks will be more or less open with each side free to take up any matters, Mr. Waldheim said. In addition to discussions about the functions and powers of the future central Government, details about the re-opening of Nicosia International Airport will also be discussed, Mr. Waldheim added.

The first two rounds of the Cyprus negotiations, held under the personal auspices of Dr. Waldheim took place from April 28 to May 3 and from June 5-7 this year. The present round is expected to end on Saturday.

Metin Munir adds from Ankara: Mr. Denktash said that he would order the expulsion of all Greek Cypriots living in the Turkish zone if the Makarios Administration did not allow some 6,000 Turkish Cypriots stranded in the south to go to the north.

In an interview before leaving for Vienna Mr. Denktash said that the deadline was "the first week of August." Mr. Denktash said that he would send to the Greek zone not only about 1,000 Greek Cypriots who have applied to leave, but all Greek Cypriots.

He also said that he would declare unilateral independence of the Turkish zone if Archbishop Makarios continued to present himself as the sole legitimate representative of Cyprus. "I am not joking," he said. There must be joint representations by the Greeks and Turks of Cyprus, he said. "Otherwise we shall separate ourselves from them (the Greeks) completely and declare our separate State and separate independence."

Greece 'was not in danger'

BY OUR OWN CORRESPONDENT ATHENS, July 31.

TWO KEY witnesses for the prosecution at the trial of 20 leading members of the fallen military junta to-day emphatically denied there was a danger of a Communist takeover in Greece in 1967—the main reason for which the junta has claimed it staged its coup in April that year.

Both Mr. Panayotis Papaligouras and Mr. George Rallis, respectively Minister of National Defence and Minister of Public Order at the time of the coup, told the five member civil high court there was no danger which could not have been dealt with through democratic procedures. The intervention of the armed forces was not necessary, they said.

Among the defendants are former President George Papadopoulos, retired Major General Stylianos Pattakos and retired Brigadier General Nicholas Makarezos who formed the triumvirate of the military regime.

Mr. George Rallis, who is now Minister to the Prime Minister's office, said the coup was planned and instigated by Mr. George Papadopoulos, then an artillery colonel, to fulfill his ambition to rule Greece. He said the junta had no ideology.

The defence has been trying to establish that the army takeover was a revolution not a coup and that it prevailed with King Constantine's tolerance if not approval, thus creating its own legal status.

Mr. Papaligouras, now Minister of Co-ordination and Planning, said the group of officers who staged the coup blackmailed King Constantine (since deposed) to surrender to their demands by force of arms. But in the seven years they ruled Greece they had never gained the support or even the sympathy of the Greek people, he said.

Irish unions endorse wage plan

BY OUR OWN CORRESPONDENT DUBLIN, July 31.

BY A 2-1 vote, Ireland's trade union representatives have endorsed the Government's plan to modify the National Wage Agreement.

Instead of containing flat, across-the-board pay increases amounting to around 30 per cent. annually, the wage pact will in future be linked to cost-of-living increases. It will operate for the last two quarters of the yearly agreement, which became effective in April, and is expected to yield pay rises of 4 to 5 per cent. a quarter.

The overwhelming vote by Irish Council of Trade Unions (ICTU) delegates — 350-104 against—is directly attributable however, to Finance Minister Mr. Richie Ryan's surprise decision yesterday evening to abandon the collision course with the unions he had earlier adopted over details of the National Wage Agreement.

On Tuesday, an independent ruling had been handed down by the Employer-Labour Conference's Adjudication Committee that it found the Government in breach of the terms of the pact. The difficulty had arisen out of Mr. Ryan's ban in his June 26 mini-Budget on any fringe payments to public sector employees over and above the basic terms of the national wage agreement.

Yesterday, in spite of the ruling, he at first stood by his embargo and refused to acknowledge the ruling that it contravened the pay pact. He repeated that the measure was "crucial" to the Government's anti-inflation programme and even added that he hoped the Employer-Labour Conference would extend the device to include the private sector at its forthcoming meeting next Wednesday.

Brezhnev offers help to further detente

BY WILLIAM DULLFORCE HELSINKI, July 31.

SOVIET PARTY leader Leonid Brezhnev to-day offered Soviet co-operation in negotiating further steps towards international detente and peace.

In a speech to the concluding session of the European Security Conference (CSCE) he described the document due to be signed here to-morrow by 35 nations as "to-day the maximum of the possible, but to-morrow, the starting point for making further headway."

The document was, he said, "a victory for reason," summing up the past but oriented in content towards the future. The results of the conference were linked with expectations and hopes "never before engendered by any other collective action" since the allied decisions at the close of World War Two. They represented a delicate balance of the interests of all 35 states and had to be treated with special care.

The aggregate result of the conference in the Soviet view was that detente was being "increasingly invested with concrete material content." Uppermost in Soviet minds was the ending of the arms race and the achieving of "tangible results in disarmament."

The principles of relations among states embodied in the CSCE document had to be "firmly rooted in present international life not to be breached by anyone."

Mr. Brezhnev did not mention the Strategic Arms Limitation Talks (SALT), which he has been discussing privately here with President Ford, but appeared to respond to western speakers' requests for progress in the Vienna Mutual Balanced Force Reduction (MBFR) talks. It was a Soviet priority "to find ways to reduce armed forces and armaments in Central Europe without diminishing the security of anyone." The Soviet Union supported the idea that the conference should be followed by a further development of military detente.

In other passages, the Soviet leader seemed to be deliberately meeting viewpoints expressed here by Western leaders, notably British Prime Minister Harold Wilson, who pointed out yesterday that under the CSCE provisions, there could be no interference in the internal affairs of another state by any signatory state. Mr. Brezhnev said to-day "it is only the people of each given state—and no one else—that has the sovereign right to resolve its internal affairs and establish its internal laws." A major conclusion of the conference was that no one should try to dictate to other peoples for foreign policy considerations the manner in which they ought to manage their internal affairs.

Mr. Brezhnev echoed Mr. Wilson and other Western leaders in stressing that, while the right to peace must be guaranteed for all the peoples of Europe, it should also be guaranteed for all other peoples on the planet—a sentence which could also be interpreted as referring to the putative Asian security treaty, which the Russians would like to realise but which is anathema to the Chinese.

The Soviet leader also gave a more favourable interpretation than some other East European speakers to the provisions for exchange of information included in the CSCE document at Western insistence. Such possibilities of co-operation had been "unthinkable" during the cold war. But, Mr. Brezhnev warned, information media could also "spread the poison of discord" between countries and he hoped the conference provisions would serve as "a correct guideline for co-operation" in this field.

The compromises embodied in the CSCE document were "well-grounded" and of a kind that benefited peace without obliterating differences in ideology and social system.

Giscard says France will sign with any country

BY OUR OWN CORRESPONDENT HELSINKI, July 31.

FRANCE WAS ready to negotiate bilateral agreements with any other country, in order to apply or even extend the provisions of the European security and co-operation document due to be signed here to-morrow, President Valery Giscard d'Estaing told the conference to-day.

The invitation, which was read as directed towards the East European countries, was underlined in the texts of his speech issued to the Press.

The French President reiterated France's determination to maintain its own independent defence capability while at the same time "contributing to the life of the (Nato) alliance of which she is a member." Keeping the military balance was a prerequisite for the progress of detente.

In line with British Prime Minister Harold Wilson, President d'Estaing re-affirmed four-power rights in Berlin.

The CSCE document was not a peace treaty but an agreement for peace. The 35-nations signing it were defining "a yardstick for detente," committing themselves morally and politically to make their actions confirm with a code of good behaviour.

Soviets hope to overcome dissension in Europe

BY LESLIE COLITT BERLIN, July 31.

THE SOVIET Union hopes to capitalise on the current Helsinki summit meeting to overcome dissension among European Communists over a planned top level East Berlin conference of parties. East European sources here say that differences between European Communists have been so marked that they could not be eliminated quickly enough to permit a conference before November.

The East Europeans say Soviet officials have used the current hiatus in the work of the eight-party working group that has met in East Berlin to stress the lessons of Helsinki. What has been achieved among 35 nations having quite different social systems should be possible among parties sharing a basic Socialist viewpoint is the Soviet message.

Moscow's representatives have also suggested that the "guiding principle" formula for the statement signed at Helsinki could be adopted for the Communist programme to be signed in East Berlin.

Previously, the Soviet Union and some other Communist countries, with the notable exception of Romania and Yugoslavia, envisaged a joint action programme which would be binding on all participating parties. Romania, Yugoslavia, the Italian and French Communists and the Scandinavians have resisted the adoption of any document which might limit the independence of a Communist Party.

The East Germans in April presented a draft document which would have bound the signers to a joint action programme. This caused Yugoslavia to stay away from the next meeting in May. Belgrade has since openly told Communist parties oriented towards Moscow that it would not take part in any conference condemning other parties. The Yugoslavs, Romanians and a number of Western parties want the East Berlin meeting to be held in an atmosphere of consensus, allowing each party to state its views and not bind any party to specific joint objectives. At the last world Communist Congress, in Moscow in 1969, the Soviets sharply attacked China's leadership and other parties were forced to follow suit or incur Moscow's anger. Yugoslavia stayed away from that meeting and in fact has not attended any important international Communist conference during the past 18 years.

The East Europeans say that events in Portugal are serving to bolster the views of the dissenting Communist parties in East and West. They are highly critical of the Portuguese Communist leader Alvaro Cunhal and his policy of non co-operation with other left-wing parties in Portugal. The presence in East Berlin of Dr. Cunhal advocating Soviet views to the exclusion of all others, it is said, would be enough to split the European Communist movement even further.

New Austrian party chief

VIENNA, July 31.

AN EXTRAORDINARY congress of the Austrian People's Party, the main opposition group in the Austrian Parliament, to-day elected by an overwhelming majority Dr. Josef Taus as its chairman. The previous chairman, Herr Schleinzer, was killed in a traffic accident 10 days ago.

The 42-year-old director general of the Girozentrale, Austria's second largest bank, is the youngest ever chairman of the People's Party. Addressing the congress, Dr. Taus spoke out in favour of political co-operation and concluding a "social contract" between the two sides of industry for a period of one year which could be prolonged for a further one year period.

He described the maintenance of full employment as the most important task combined with measures aimed at reducing the inflation rate by 1 per cent. a year.

The congress also elected a new secretary general, Dr. Erhard Busek, a 34-year-old economic expert. The new team takes over the leadership nine weeks before the General Elections scheduled to be held on October 5. At present the Socialists have an absolute majority of 93 seats with the People's Party providing 80 and the small Freedom Party 10 MPs in the Austrian Parliament.

W. German, Iran accord

TEHRAN, July 31.

IRAN and West Germany to-day signed a DM14bn. accord for implementation of industrial, agricultural and dairy projects despite the fact that the two countries proposed refinery deal is still uncertain.

Agreement was signed after a three-day visit by West German Minister of Economy, Hans Friedrich, in which he held talks with Iranian Minister of Economic Affairs and Finance, Hushang Ansari.

The two countries agreed to review postponed talks for construction of a 25m. ton oil refinery project in Bushehr.

AP-DJ

U.K. gas credit from EEC

LUXEMBOURG, July 31.

THE COMMON Market is to lend Britain £21.6m. to finance distributing natural gas from the North Sea, an official announcement said to-day.

The money comes from the European Investment Bank, the EEC's long-term investment facility, in the shape of two loans to the state-owned British Gas Corporation. Both are for 10 years at 9¼ per cent. interest.

The loans are to finance the second of two pipelines from St. Fergus in the Grampian region of Scotland, where gas from the Frigg Field will come ashore, to the junction with the existing natural gas distribution system 173 miles away at Bathgate, near Edinburgh.

The bank loaned the gas corporation £24.2m. for other work on Britain's gas grid earlier this year. Its total contribution to British projects since Britain joined the EEC in 1973 now totals £211m.

Reuter

IN BRIEF

WHESSOE (IRELAND) is to fabricate 550 tons of mild steel ductwork for Maschinenfabrik Augsburg-Nuernberg, West Germany, contractor for the Irish Electricity Supply Board's Poolbeg generating station extension.

Six detained in Yugoslavia

BELGRADE, July 31.

SIX people, including a former Deputy Prime Minister of the Republic of Croatia, have been arrested here on allegations of Stalinist activities, legal sources said to-day.

The group included Mr. Dusan Brkic, Croatian Deputy Prime Minister until 1950, when he was dismissed and imprisoned for "Cominformist" activities.

"Cominformist" was the name given to the pro-Soviet faction after President Tito's break with Moscow in 1948. It refers to the Cominform, an organisation devised by Stalin for keeping Yugoslavia in line.

Reuter

OVERSEAS NEWS

Nigeria's new leader condemns corruption

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

BRIG. MURTALA Mohammed, Nigeria's new Head of State, has told the 12 officers appointed on Wednesday as State Governors that they will be responsible for creating a brighter image of Nigeria's military administration.

At a swearing-in ceremony at Supreme Military Headquarters in Lagos, Brig. Mohammed said that he demanded exemplary conduct from the new Governors. Under the previous Governors, whom General Gowon had promised but failed to remove, there had, he said, been perversions of time-honoured Government procedures and norms, nepotism and favouritism, desecration of traditional institutions and humiliation of highly-respected traditional leaders.

All this had given Nigerians the impression that the states were run as private estates of the Governors. The Head of State said that all over the country there were allegations of graft and misuse of public funds and complaints of ostentatious living, flagrant abuse of office and deprivation of people's rights and properties.

All the new Governors (unlike the previous set, which had one civilian and several policemen) are military men, eight with the rank of lieutenant-colonel and four (two of them are in fact naval captains) of full colonel. They are: North East, Lt.-Col. Mohammed Bohari; Mid West, Col. George Inneh; Kano, Lt.-Col. Sanni Bello; Lagos, Naval Captain Lawal; South East, Lt.-Col. Paul Omu; Kwara, Lt.-Col. Ibrahim Taiwo; West, Naval Captain Akin Duwo; East Central, Lt.-Col. Usman Jubrin; Benue Plateau, Lt.-Col. Abdulahi Mohammed; North West, Lt.-Col. Umaru Mohammed; Rivers, Lt.-Col. Zamani Lekquot.

Beyond the fact that all 12 men are career officers of the middle echelons, there is little obvious pattern to be discerned in the appointments. Gen. Gowon's Governors all held office in their states of origin, but this precedent (one which tends to govern much of Nigerian political life) has not been followed. The new Governors of Lagos, Midwest, West and Kwara, South East, and East are indigenes; but the Governor of the southern state of Rivers is from North Central, and while all the northern states have "northerners" as their new heads, only Kwara has an indigene. At first sight therefore it would seem that while tribal or regional balance has to some extent been a consideration, the appointments have been made quite as much on grounds of personality, efficiency, suitability or seniority.

Brigadier Mohammed has also appointed the members of the Supreme Military Council, with which the as far unannounced members of Federal Executive Council and a new Council of States, are now the three organs of the federal Government. The SMC comprises all Service Chiefs and the commanding officers of the three divisions and Lagos garrison.

Twelve other officers were also named to the SMC, however, and since they include Lt.-Col. Garba, who made the original announcement of Gen. Gowon's removal, there are suggestions that some of the 12 might have played key roles in the coup. Observers have also noted the apparent absence from any position of two senior officers, Brig. Haruna, and Brig. Shuwa, both former commanders of the crack First Division and classmates at Sandhurst of Brig. Mohammed.

● Nigeria's frontiers with its neighbours were partially opened yesterday when Nigerian Airways resumed internal flights, international flights, however, have not yet been resumed, while those land borders open are said to be admitting only nationals of neighbouring African countries.

Editorial Comment, Page 14

Jordan and Syria sign new pact

AMMAN, July 31.

JORDAN AND Syria agreed to-day on a wide-ranging multi-million dollar pact to strengthen their economic ties. But they apparently failed to overcome obstacles forestalling their union in a joint military command.

A joint communique issued at the end of a four-day visit by Syrian Premier Mahmoud al Ayyoubi said the two countries agreed to co-operate in wide-ranging economic schemes including industry-sharing, tax exemptions and the creation of a free zone between their borders.

But final agreement on the main topic of the talks—that of setting up a joint military command to co-ordinate the movements of the Jordanian and Syrian armies along their borders with Israel—was not included in the communique and, according to diplomatic sources, apparently not reached.

The communique said only that "military matters were discussed." It said that Al Ayyoubi and Jordanian Premier Zeid Rifai would meet again in Damascus next October to continue the talks.

● Jordan would be ready to turn to any other supplier, including the Soviet Union, if the U.S. turns down its request for 14 Hawk missile batteries, Information Minister Salah Abu Zeid said to-day.

The Minister said that Jordan would start looking to other sources for an air defence system in due course if the U.S. Congress turned down the deal when it takes up the issue again in September.

Agencies

New front in Angolan fighting

THE NATIONAL Front for the Liberation of Angola (FNA) is trying to establish a southern front in its battle with the Popular Movement for the Liberation of Angola (MPLA), according to reports reaching Luanda to-day.

Fighting has erupted between the two rival nationalist movements in the southern ports of Novo Redondo and Porto Amboim, a Portuguese military spokesman said. Diplomats speculated that the FNLA has abandoned a plan to drive on Luanda from the north in an attempt to oust the MPLA from its strongholds in the Angolan capital and surrounding areas.

IN KAMPALA, the Organisation of African Unity (OAU) decided at its summit meeting to-day to send a commission to Angola immediately to mediate between the three feuding liberation movements, Assistant OAU Secretary-General Peter Onu said to-night. The Conciliation Commission will report to the OAU Defence Commission on the need to send an OAU peace-keeping force to Angola, he added.

Reuter

John Worrall adds from Kampala: The OAU summit, whose participants are rapidly diminishing, decided unanimously to-day to support efforts made by the Rhodesian African Nationalists to achieve independence by peaceful means, provided that the principle of majority rule before independence is not compromised.

The summit leaders decided that if there were a constitutional conference between the Nationalists and the Smith regime, that it was the OAU's duty to do everything possible to assist the success of the talks.

Tony Hawkins writes from Salisbury. Rhodesia has partially rescinded its concession on national service military training for immigrants established last year. From August 1, immigrants to Rhodesia under the age of 21 wil become liable for call up for 12 months national service after they have been in the country for two years instead of having a five years period of grace.

Israel must sign N-pact first—Egypt

UNITED NATIONS, July 31.

EGYPT HAS told the United Nations that Israel's refusal so far to become a party to the Nuclear Non - proliferation Treaty "has left Egypt with no choice but to stop short of ratifying the treaty," it was disclosed to-day.

Egypt, which signed the Treaty in 1968, nearly two years before the pact entered into force, said that it was ready to ratify the pact: "the moment Israel accedes to it and becomes a party thereto." Egypt gave its views in reply to a request from Secretary-General Kurt Waldheim.

He had asked for the comments of Middle East countries on the implementation of a General Assembly resolution last December commending the idea of establishing a zone free of nuclear-weapons in their area.

● IN a statement to reporters in Washington to-day, State Department spokesman Robert Funseth said: "We believe that every state should adhere to the Non-proliferation Treaty." He was answering questions about a report in the Boston Globe, which said that senior American analysts believe that Israel has assembled more than 10 nuclear weapons, each as powerful as the bomb that destroyed Hiroshima.

Reuter

N. Zealand credit squeezed

WELLINGTON, July 31.

By Dai Hayward

NEW ZEALAND'S Minister of Finance, Mr. Bob Tizard, acted yesterday to mop up the excess liquidity which has become apparent in the New Zealand economy in recent weeks.

Mr. Tizard announced an increase in the maximum local authority borrowing rate from 6.25 to 6.75 per cent. The Government security ratio of finance companies is to go up on October 1 from 10 to 15 per cent. The reserve asset ratios of the trading banks have already been raised for July and August.

India expects 6 per cent. rise in national income

BY K. K. SHARMA

NEW DELHI, July 31.

THE INDIAN GOVERNMENT expects a rise in national income of 6 per cent. this year and has claimed that the economy is "poised for a major phase of rapid expansion." This forecast was made by the Finance Minister Subramaniam in a review presented to Parliament. The review records that prices are falling and now stand at a level that is 2.1 per cent. lower than that of the same time last year—the claim being that the Government's anti-inflationary measures have achieved a remarkable success, in view of the rapidly rising prices in the rest of the world.

The Finance Minister conceded that the outlook for exports was "somewhat uncertain" because of the downward trend in world commodity markets, while import costs remained high, especially those of crude.

● Reuter adds: Devastating monsoon floods, affecting more than 10m. people, have swept through two north-eastern provinces of India.

THE WAR IN ERITREA

Coming out into the open

BY A SPECIAL CORRESPONDENT

This summer, the Eritrean Liberation Front decided on a major change of political and military strategy to gain independence from Ethiopia . . .

THE WAR in Eritrea has risen and ebbed in recent years, frequently threatening the regime in Addis Ababa and consequently the wider stability of the contentious horn of Africa, but never quite getting to the point where victory—and secession — became an imminent probability.

In recent months, following the overthrow of Haille Selassie, internal divisions within the Eritrean liberation movement and the new Ethiopian regime's determination to consolidate itself forcefully, even brutally, have further weakened the secessionists. But there are signs that this almost forgotten war in a remote part of Africa, the success of which could have serious implications for the distribution of power in the area, is about to stepped up.

Deep inside the forest-covered middle highlands of northern Eritrea, members of the Eritrean Liberation Front decided this summer on a major change of political and military strategy to gain independence from Ethiopia.

As Ethiopian jets circled overhead searching out their hiding-place near the Ansaba river, they agreed the time was ripe for "a new stage of confrontation" with the Ethiopian army. The national congress of the revolutionary council (ELF-RC) also decided the time had come to unite with their rival wing—the popular Liberation Forces (ELF-PLF).

Reports of renewed heavy fighting around the eastern city of Asmara may indicate that the offensive has already begun. There were momentous decisions for the ELF as a whole as they symbolised a new feeling of military strength and underlined the front's wish to break the current deadlock in their guerilla battle against government forces in Eritrea. Since the heavy fighting around the Eritrean capital of Asmara in February, the ELF guerillas seem to have concentrated on ambushing army convoys, attacking isolated government posts and raiding targets inside government-held cities. But with thousands of new recruits now trained, the Front feels the need to stake out a more durable claim to its "liberated" areas and is preparing to engage the Ethiopians at battalion level. At present, the ELF claims its forces control about 70 per cent. of Eritrea while government forces are concentrated around the main Eritrean cities.

But the decision to move from classical guerilla warfare to more traditional set-piece engagements was also prompted by the need to protect a badly mauled civilian population. The ELF claims about 3,000 civilians have died as a result of Government reprisals against predominantly civilian targets. But this new ELF resolve is fraught with pitfalls. Supporting a frontline needs a logistical back-up network of some complexity and it is doubtful whether the Eritreans could at the moment activate a supply line capable of supporting a battalion as they have in mind. They would also run the risk of much higher casualties and could possibly jeopardise their main strength—flexibility of movement.

But the Eritreans are pushing ahead with their plan and ELF leaders are currently canvassing support in Syria, Iraq, Libya, Egypt, South Yemen and Algeria. The Arabs have a vital interest in seeing this predominantly Muslim rebel movement succeed. A victory for the ELF, political or military, would give them control of Ethiopia's strategically-placed coast at the mouth of the Red Sea. If this happened it would mean that the entire length of the Red Sea, on both sides, would be in the Arab sphere of influence.

"We feel we are strong enough to confront the Ethiopians," said Azzein Yassir, the council's foreign relations chief. "We have got to stick fast to our posts despite air raids. We need endurance and weapons with high firing potential."

Interviewed in Damascus, Yassir was confident it would just be a matter of years before Eritrea would become independent. He was accompanied by the ELF's newly-elected chairman, Ahmed Nasser, an Iraqi-trained military strategist in his thirties, who said he hoped to acquire from their Middle East tour new supplies of light guns as well as anti-aircraft and anti-tank weapons. The ELF says Syria has already agreed to step up its support on a financial and military level.

But even with promises of increased support, there remain difficulties of major proportions for the ELF—a movement which its officials say draws only 1 per cent. of its overall support from foreign sources. With a greater influx of foreign aid, supply routes become an important factor and Yassir claims Sudan has stopped supplies reaching the rebels. Provisions are now mainly shipped across the Red Sea from South Yemen and are then moved by camel trains into the interior and to Asmara. One idea now under serious consideration by the rebel leadership is to airlift supplies into Eritrea from the Middle East.

Any new offensive is likely to be launched at the end of the rainy season in August. But ELF officials in Damascus claim the recent kidnapping of two Americans and four Ethiopians from the U.S. communications base in Asmara heralds the start of a new escalation of the conflict.

Recent months have also seen a marked improvement in relations between the two rival wings of the ELF, which until last year were often embroiled in open hostilities. The 1970 split between these two factions seemed at the time more based on personal differences among the leaders than insoluble ideological difficulties. Now, the Revolutionary Council says both groups are co-ordinating well inside Eritrea, often sharing ammunition and taking part in joint actions.

Although smaller, the Plf secured more substantial backing from Saudi Arabia and Libya than the Revolutionary Council could acquire from its backers. But with the pooling of resources apparently imminent, the Eritreans clearly feel they will have the financial means to sustain a more intensive military campaign. Visitors to Eritrea, however, have stressed that the ELF runs its campaign on a shoe-string budget and that foreign backing so far appeared to have been minimal.

A "unifying" congress between the two wings is likely to be held in the next few months at which rival leaders will try to reach agreement on "one organisation, one leadership, one programme, and one army." The PLF has already signalled its readiness to hold such a meeting to reconcile past differences and begin a new relationship.

Hopes of reconciliation, however, with the Ethiopian Government are as distant as ever. The Eritreans say a peace initiative by President Nimeiri of Sudan has failed. His peace plan called for an immediate ceasefire, amnesty for the Eritrean separatists and unconditional peace talks but the ELF says the Ethiopians did not register a reply and even cold-shouldered a Sudanese envoy.

"We are not against peace," said ELF leader Ahmed Nasser. "If the new regime in Ethiopia presents a peaceful solution we will accept it provided it fulfils the aspirations of the Eritrean people."

He explained, however, these aspirations were towards national independence — and this the Ethiopian Dergue would certainly reject.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● HANDLING

Taking the drag off the belt

BELT CONVEYORS to handle large quantities of bulk commodities and having long carrying runs between centres are normally equipped with head pulley and tail pulley drives.

Intermediate drives are required if low-strength belts are to be used or if high-strength belts are to be driven at a higher horsepower pull than can be obtained with head and tail pulley drives. In such cases belt loops, for instance, having a driven head pulley are arranged in the carrying run of long single belts. The drawback is that this involves another transfer with all its attendant difficulties such as spillage and the like.

The T.T. belt drive, in which the continuous carrying run rests—in intimate contact—on one or several relatively short drive belts, offers a number of advantages. The drive belt transmits its pull to the carrying belt solely by friction. It is thus possible to provide the drive belt with up to four drive units at the head and tail pulleys. The TT drive can be economically used where the effective horsepower pull of belt conveyors has to be increased due to belt extensions or the need of overcoming gradients, for instance, without effecting any major change in the existing installation. For extremely high handling rates, the TT drive permits longer belts to be used on gradients using the strong joints attainable with high-strength belts to-day.

For testing the TT drive under actual operating conditions, Krupp Industrie- und Stahlbau, Rheinhausen, acting in co-operation with the Rheinische Braunkohlenwerke AG, Cologne, installed an intermediate drive in an existing trunk conveyor extending from the face to the dump and power station.

The drive has been operating for about 18 months without any trouble at a rate of 16,000 tonnes/hr.

Based on the same design concept, a trunk conveyor with 1100 metre centres is now being built by Rheinbraun.

Fried Krupp, 43 Essen, Altendorfer Strasse 100, Federal Republic of Germany.

Compacting challenges incineration

LOWER CAPITAL and running costs, as well as environmental advantages are claimed for a high density baler for handling refuse. Produced at the Bridgend, Glamorgan, works of Harris-Economy the first unit is being erected this month at the Polmadie refuse works in Glasgow, where it will replace an incineration plant.

The solid waste baling press, valued at £500,000, is less than half the cost of a new incinerator, and in addition to removing a smoke problem, will enable local authorities to at least double the life of conventional landfills.

Loose refuse is compacted to one-sixth of its normal volume and the high-density bales, weighing over a ton, and measuring 1 metre square and up to 1.5m. long, are sunk in the ground. The holes are so solid that rats and birds are not attracted to them. There is also far less smell and dust.

A second order has been placed with Harris Economy by West Yorkshire Metropolitan County Council.

The concept was first developed by Harris-Economy's U.S. associate company in the American Hoist and Derrick group which has secured nine orders since first demonstrating the system when it took on the job of processing municipal rubbish at St. Paul, Minnesota.

It is estimated that about 80 per cent. of Britain's annual total of 20m. tons of refuse is dumped on tips, many of which are running out of space.

● SAFETY

Fail-safe switching

FLEXLOCK is a new safety limit switch designed in co-operation with HM Factory Inspector and developed to meet current safety devices of the British Code of Practice for electrical guarding of machinery. It is now available from Herbert Switches, Spring Road, Letchworth, Herts. SG6 4AJ (04626-3941).

The switches have a positive drive to the contacts and no interposing springs.

It is claimed they cannot fail to break even if the contacts are burnt or partially welded. Two sets of contacts are fitted, one for the safety circuit and the other for an interlock alarm circuit. 90 degrees total travel is permitted in each direction.

This spring return switch has three forms of operation and simple adjustment allows it to be converted from one to the other.

Flexlock safety switches are constructed with a diecast aluminium housing to withstand the ingress of water, oil and dust to BS 775 and IP 66.

● DATA PROCESSING

First 2970 for client passes test

REGIONAL Computing Organisation (RCO), a consortium embracing the computing facilities of Edinburgh, Glasgow and Strathclyde Universities, is now operating an ICL 2970 computer system valued at more than £1m.

The new system is one of ICL's 2900 Series "New Range" machines first announced in October last year, and was the first 2900 Series machine to be delivered to a customer site, when it was installed in the James Clark Maxwell Building at Edinburgh University late in June.

The RCO makes available specialist regional computing services to the participating universities, and provides a co-ordinating structure for the independent on-site computers at each University, which are linked via communications network. Before ordering their new machine, the RCO evaluated systems on offer from the world's major manufacturers.

The 2970 will be used initially by the RCO as a "pilot" machine, before delivery next March of an ICL 2980 computer, the largest system manufactured by any European company. The 2980 will be installed in a new computer centre now being erected at the Bush estate eight miles south of Edinburgh.

The advanced delivery of the 2970, which although smaller than the 2980, is still one of the largest computers in Scotland, will enable the RCO to gain valuable experience in converting their systems and programmes before installation of the 2980.

By the time the 2980 is delivered, most of this work will have been done and the RCO will be able quickly to take advantage of its power and advanced facilities.

Only 17 days were required for the installation and commissioning of the 2970 computer, which compares very favourably with the six weeks to three months commonly required for the installation of machines of comparable size. This improvement is due to the advanced design of the new machine, and to exhaustive factory trials before shipment.

ICL's policy of bringing together a small project team which works on the system right from inception through to the time that the system is installed and functioning on the customer's site is thus paying off.

Fitting the equipment to the job

VENTEK, which now has over 300 installations in Britain, has broadened its offering with equipment at the top and bottom of its series so that its Datapoint range now runs from just under £6,000 to nearly £60,000 and competes with virtually every manufacturer and service centre.

"Diskette" 1100 is the smallest unit, a 16k system able to take up to four floppy discs, run a display and operate from a large keyboard.

Datapoint 5500, at the top of the range, has a 50m. byte disc capacity, a 300 lpm printer, eight slave displays and communications capability.

British Rail is a major user of this Canadian equipment and has ordered some 400 of these powerful intelligent terminal/minis to work in its TOPS rail freight control system, of which 300 have been delivered.

Apart from BR, the National Coal Board and other nationalised industries are understood to be discussing equipment and its potentialities with Ventek.

CORT (Commercial Real-Time Ltd.) is being supported by a Department of Industry award under the Software Products Scheme to develop a number of applications of these powerful Ventek mini-computers for business and industry.

The work covers the writing and implementation of retailing and distribution systems intended to be tailor-made for any circumstances within the particular industry and costing between £7,000 and £25,000 to rent the covering machines, software and support of both.

The CORT staff believes that the work it is doing in this area is unique. They say that in distribution and retailing, these are the first comprehensive and integrated set of standard systems designed for that industry.

Probably the most significant feature so far as the user is concerned is the guarantee by CORT that no more equipment or programming will be offered than the situation warrants.

Ventek is at Station House, Harrow Road, Wembley, Middx. HA9 6ER. (01-903 6261.) CORT is at Heathcote Road, Twickenham, TW1 1RX. (01-892 5637.)

Insurance homework automated

MEDIUM SIZED life assurance companies can achieve independent data processing rapidly and economically with LADDER.

Life Assurance Direct Entry and Retrieval (LADDER), comprises 80 programs written in BASIC. It runs on the DEC PDP 11 range.

Data Logic intends to market both hardware and software as a turnkey product and re-train customers' existing staff to run the system.

Ladder, together with its development aids, will enable life assurance companies to go on to their own machine within six months of order. The cost depends on the number of policies handled by the system but the purchase price should be in the range of £50,000-£80,000 for a complete system. Lease terms of £1,200-£1,800 per month will also be available.

During normal day-time running, information is entered through displays and immediately processed. The same screens are used to interrogate files held on the computer and display immediate answers to enquiries on policy and agent details.

New business (annual and single premium) acceptance and rejection is provided with policy, updates, enquiries, closures, journals and reinstatements and premium receipts. New agents, updates, journals, deletions and enquiries are also covered.

Data Logic, Westway House, 320 Ruislip Road East, Greenford, Middx. UB6 9BH (01-578 9111).

● RADIO & TV

Ultra-light TV camera

SMALLER and lighter than any other comparable unit is the claim made for a single tube colour CCTV camera, the new Hitachi FP 3030.

Measuring only 81 mm. x 105 mm. x 320 mm. and weighing 3 kg., the new camera will be available in Britain in March next year. It has the new tri-electrode colour vidicon (TEC) giving optimum colour fidelity and stable colour reproduction against wide variations of scene illumination.

Hue and colour saturation are not affected by shift of electronic focus. Even at low light application the new TEC tube offers a stable and clear picture with minimum colour shading. Single tube operation cuts out registration adjustment, and automatic sensitivity control gives optimum output signal against wide variations of application.

When used in conjunction with the Hitachi 901 video cassette recorder to form a complete portable recording system, the FP 3030 takes its power from the recorder.

Hitachi Shibaden (U.K.) Lodge House, Lodge Road, Hendon, London NW4 4DQ (01-203 4242).

● FINISHING

No cyanide used in the process

A CYANIDE-FREE bright silver electroplating process is to be marketed by Schering Chemicals, Burgess Hill, Sussex.

It will be known as Argatect and is claimed to give deposits as good as those obtained with silver cyanide solutions. Nearly all the silver which is dragged out from the Argatect solution into the rinsing solutions can be recovered and recirculated to the electrolyte.

Barrel plating rate is about 0.2 microns a minute and jig plating about 0.6 microns a minute.

● METALWORKING

Simplifies electron beam welds

SELF-ALIGNING electron beam emission units have been developed by Torvac of Histon, Cambridge. They extend automatic control of electron beam welders and provide easier and more accurate setting of welding parameters.

High precision emission control is a pre-requisite for accurate and repeatable control in electron beam welding and the new development by Torvac is considered a very important contribution in this field.

The new development has several major operational advantages since less skill is required from the operator or maintenance man. The emission control sets itself automatically to suit the gun and the accelerating voltage being used.

Slope-in, weld time and slope-out can all be set independently of each other.

The range of work which can be done on one machine is thus extended considerably, ranging from very light work on small components at high speed (where rapid slope-in and slope-out is essential) to deeper penetration welds on heavy materials undertaken at slower speeds where a gradual slope-in and slope-out is important to ensure the right metallurgical properties in the weld and obviate cracking. More accurate and repeatable results than can be achieved manually are obtained through the automatic resetting of the bias cut-off voltage, a key feature of the new system. This simplifies operation and ensures accurate setting, for example, on changing from 50Kv accelerating voltage to 30Kv.

Greater repeatability and stability of beam current are also features. Repeatability of ±1 per cent. has been demonstrated over many hundreds of cycles, and better than ±4 per cent can be expected in months of service.

The new control is now standard on Torvac machines but is available for purchase by users of existing machines.

Torvac, Histon, Cambridge CB4 4HE. Histon (022023) 2646.

Process Plant

The Financial Times proposes to publish a survey of Process Plants in its issue of Monday, 1st September 1975. The following indicates the proposed editorial content.

1 **Introduction.** Process industries in the U.K. are expected to spend £8.6bn. in the three years to the end of 1977. In spite of the economic conditions they are endeavouring to keep up this level of growth, boosted by the build-up of oil production in the North Sea. In trying to meet this high level of business process plant manufacturers and contractors have to contend with considerable business pressures of their own. Consequently, what happens in the next 12 months could be crucial to the long-term prosperity of the process plant industry.

2 **Exports.** The Government has tried to assist exporters by introducing an inflation insurance scheme but the industry has reservations about its total effectiveness. Engineering contractors have won £1.7bn. worth of overseas orders in 1974 and the first half of 1975, but—they say—they could do even better given the right backing. Markets like the Middle East states provide ample opportunities for future exports.

3 **Contractors.** A comparatively small number of very large companies operating in a fiercely competitive and technologically sophisticated area. Their achievements and problems; in particular the hazards of tendering and quoting prices in an inflationary climate.

4 **Fabricators and Material Suppliers.** In the past year or so this large and important sector of British industry has been dogged by skilled labour shortages and a lack of certain types of steel. To some extent these problems have eased which should help the flow of plant and equipment to the contractors.

5 **The North Sea.** A look at the growing activity of oil and gas development which accounts for 40 per cent. of the total capital expenditure by process industries in the U.K.

6 **Middle East.** Oil-producing states are anxious to use their new wealth to develop an industrial infrastructure. One report suggests that chemical and refinery plans announced or under consideration amount to a total of $40bn. The expansion plans of various Middle East states.

The following articles will feature the main markets for the process plant industry, highlighting their strengths, special needs and growth prospects:

7 **Oil Exploration and Production**
8 **Oil Refining and Distribution**
9 **Chemicals**
10 **Electricity Generation**
11 **Gas Industry**
12 **Food and Drink Processing**

For further information and advertising details please telephone 01-248 8000, Ext. 565.

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HOME NEWS

Vantona ex-chief beaten in poll

BY RHYS DAVID

MR. BASIL GLASS, former chairman of Vantona, the Manchester-based household textiles group, has failed to win back his place on the Board of the company, which is being bid for by Spirella.

A poll held at the annual general meeting on Wednesday showed a 63 per cent. majority for the Board's recommendation that Mr. Glass should not be re-elected president.

Altogether 1,860,814 votes were cast against Mr. Glass's re-election, with 1,087,296 in favour. Of those in favour, roughly half appear to have come from Mr. Glass's own and his family's interests in the company. These holdings amount to more than 1.2m. shares, with every two shares carrying an entitlement to one vote.

Mr. Glass told shareholders who attended a meeting held before the annual meeting that he wanted to return to the Board to help heal the division over the Spirella offer.

The offer is backed by Dr. John Blackburn, managing director, and one other director, but opposed by Mr. Herbert Pilkington, company chairman, and two other directors.

Mr. Glass, who supports a merger with Spirella, told shareholders that he would press for the appointment of a new chairman and two non-executive directors.

Mr. Pilkington was accompanied at the annual general meeting by the company's lawyer and not his lawyer, as wrongly stated yesterday.

British Leyland launches 'Superdeal' campaign

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITISH LEYLAND in a bold attempt to fight back against foreign car imports, is launching to-day a new sales campaign described as "the most aggressive yet seen in the British car market."

The campaign comes half way through a year in which imports have been taking a record share of the U.K. market, and after a month in which total car sales have slumped to their worst level in years.

August imports are expected to capture even more of the market than last April (when they reached a record 38 per cent.), as motorists take up orders at the beginning of the month for the new "P" registration year.

BL's campaign, code named "Superdeal" embraces both the Austin, Morris and Rover, Triumph distribution networks. Some 3 000 outlets will be offering trade-in deals on 12 model ranges, from the Mini to the Rover 3500. Foreign cars will be welcomed as trade ins, says BL, particularly Japanese and East European models.

British Leyland refuses to say how much the campaign—due to run for two months—will improve the value of the average used car. But it is believed that the customer may be able to get up to £75 to £100 more for his trade-in vehicle than at present.

The cost will be met by both the company and the distribution network accepting lower margins.

British Leyland's strategy in hoping to take sales from the importers is based on the belief that foreign cars do not hold their price so well in the second-hand market.

"A number of imported cars are not popular in the used-car market and British car retailers have traditionally been reluctant to take them in part exchange," says the company. The "Superdeal" campaign would give their owners a "unique opportunity to trade back into a *British* car."

Although BL's market share was down by 2 per cent. in the first six months of this year to 32 per cent., its incentive marketing scheme at the beginning of this year was conspicuously successful.

Some manufacturers have doubts about the wisdom of such schemes, saying that they are costly and merely "pull forward" sales which would have been made later anyway.

Ford, for example, has followed the opposite path in designing a car—the Popular Escort—which is as cheap, or cheaper, than any of the competition.

● The new, Government-controlled, British Leyland should have on its Board of directors representatives of the small, non-Government, shareholders, the High Court was urged yesterday by Mr. Noel Falconer, a senior research fellow at Manchester University, and one of several shareholders in British Leyland Motor Corporation appearing in person at the court hearing to sanction a scheme of arrangement for the company.

Mr. Falconer said he detected "great bitterness" in the company due to the gulf between directors and shareholders. Powerful efforts should be made to effect a reconciliation. Judgment is expected to-day.

Government asked for Court Line recompense

By Michael Donne

THE ASSOCIATION of British Travel Agents is asking the Government to meet out of public funds at least part of the compensation to holidaymakers who suffered losses through the Court Line collapse last year.

Mr. George Skelton, president of ABTA, which represents more than 4,500 retail agents throughout the country, has written to Mr. Peter Shore, Secretary for Trade, seeking an urgent meeting to discuss the matter.

At present, the 100,000 holidaymakers involved are being recompensed partly through the £2m. remaining out of the original Court Line group's bond, and partly from the Air Travel Reserve Fund set up with a £15m. interest-free Government loan. The first holidaymakers began to get their money yesterday.

ABTA estimates that the total outstanding debt due to the holidaymakers involved is around £5.5m. After taking into account the £2m. left available in the Court Line group's own bond (a system set up some time ago by the U.K. travel trade itself to provide a cushion of money against emergencies), this leaves about £3.5m. still to be found.

Grant or loan

This will come from the Air Travel Reserve Fund, which although initially financed by the Government's loan will eventually be covered by a levy on other future holidaymakers.

What ABTA is now saying is that the £3.5m. still needed ought to be regarded as a grant to the ATRF and not a loan, so that it does not have to be repaid to the Government.

ABTA is also arguing that there is still some £3.7m. in travel agents' hands, representing deposits and holiday payments which the liquidator of the Court Line group regards as owing to *him*, while the travel trade feels it belongs to the original holidaymakers who paid it.

This money, it is felt, could be passed back to those holidaymakers, thereby substantially reducing the number of people needing recompense from either the Court Line bond or the ATRF.

These are the arguments ABTA intends to deploy with Mr. Shore. In the event of Mr. Shore declining to accept their view, Mr. Skelton said yesterday ABTA will have to "totally reconsider its position vis-a-vis the Government."

Travel trade

This is understood to mean that ABTA will consider a policy of "non-co-operation" with the Government in matters concerning the travel trade, although Mr. Skelton declined to spell ABTA's views out in greater detail.

Mr. Skelton yesterday left no doubt as to the strength of ABTA's feelings on the matter. He said that neither the Ombudsman's report nor that from the DoT inspectors on the Court Line affair absolved the Government from responsibility for the situation.

"ABTA's national council is shocked that the Government appears to have rejected the findings of the reports and any obligations stemming from them."

In the meantime, Sir Kenneth Selby, the chairman of the ATRF, made the first payments to former Court Line customers in Bath yesterday.

Sir Kenneth said that he was looking forward to an increasing flow of payments through the coming months. He wanted to pay as many claims as possible "in the shortest time." This meant the easier claims would be dealt with first, the more complicated claims coming later.

GEC raises capital investment by 51% to £81.6m.

BY CHRISTOPHER LORENZ

GEC increased its capital investment by 51 per cent. last year to £81.6m., equivalent to almost 6 per cent. of its £1.4bn turnover and twice the proportion of only three years ago.

Economic conditions permitting, the group intends to continue investing about 6 per cent. of its sales over the next few years.

News of this dramatic upsurge in GEC's investment programme has emerged with to-day's publication of its 1974-75 annual report, in which the chairman, Lord Nelson, refutes "the widespread cry that under-investment by private industry is our major national problem."

Lord Nelson says in a hard-hitting statement that the quality of investment counts even more than the volume. "And for organised labour to seek to prevent companies gaining the full benefit from heavy capital investment programmes by preventing them running their plants more productively is a form of insanity this country cannot afford."

Britain's desperate and urgent need was for "the regeneration of government." Real improvements in living standards could be achieved only through higher productivity.

Managers knew this, but there was no such discipline where the State was the direct or the ultimate employer. Most of the present cost inflation originated in the public sector.

GEC's ratio of capital investment to turnover has climbed from three per cent. past 3.5 and 4.7 per cent. to 5.8 per cent. over the last four years.

Excluding property additions, last year's ratio was 4.6 per cent., putting GEC ahead even of Siemens, which traditionally has been the top investor (in relative terms) in the international electrical engineering industry.

Among the GEC units which expect to invest even more rapidly in 1975-76 than over the last two years are Marconi (£10m.), gas turbines (including Rustons, £8m.), Telecommunications (£8m.) and Machines (£4m.).

Chairman's statement, Page 17

Search narrows for pop group's killers

By Giles Merritt

BELFAST, July 31.

THE HUNT for the killers of three members of The Miami Showband, an Irish pop group, narrowed here to-day as police sought two men belonging to the Ulster Volunteer Force.

The political implications of the killings appear to be very slight, and with most senior Northern Ireland politicians at present either on holiday or on their way to Westminster to attend to-morrow's Commons debate on the Province, there have been few of the usual charges and counter-charges.

The UVF last night accepted responsibility and issued a spirited defence, claiming that the pop group was an armed Republican activist squad detained by a UVF "road block."

In Dublin, however, the Irish Government has taken a very serious view of the deaths and to-night called in the British Ambassador, Sir Arthur Goldsworthy.

The decision to do so was taken by Deputy Premier, Mr. Brendan Corish, in the absence of the Prime Minister and Foreign Minister, who are attending the Helsinki security conference. Sir Arthur was received by Mr. John Kelly, who is Parliamentary Secretary to both Premier Liam Cosgrave and Dr. Garrett Fitzgerald, the Foreign Minister.

It is believed that he emphasised Ireland's concern that stringent security measures should be adopted immediately to prevent further such incidents.

Although the UVF is perhaps the least political of all the private armies, and therefore the most volatile, it has adopted of a late a policy of singling out its victims as being leading figures in the Provisional IRA or Independent Republican Socialist Party.

To that end, and in line with its taste for high-flown ranks and titles, it formed the "Ulster Volunteer Central Intelligence *Agency*" to cut down the random assassinations of Roman Catholics.

Officers of the RUC's "A" murder squad, the recently formed anti-assassination specialists, are taking part in the inquiry, and the police are now understood to think that the UVF's intention had been to hijack the group's Volkswagen and use it as a car bomb. When the bomb exploded prematurely the shootings ensued as a result of panic.

Benn outlines plan to merge gas and electricity showrooms

BY PETER FOSTER

GAS AND electricity consumers' representatives and trade unions are being consulted on the possibility of merging gas and electricity showrooms, Mr. Anthony Wedgwood Benn, the Energy Secretary, said yesterday.

In a reply to a parliamentary question, Mr. Benn disclosed that Mrs. Shirley Williams, the Prices Secretary, had written on Tuesday to the chairman of the Electricity Consultative Councils in England and Wales and to the National Gas Consumers' Council inviting them to consider the benefits or otherwise of shared facilities between the two supply industries. Similar approaches had been made in Scotland by the Scottish Secretary.

He said the gas and electricity industries had already been asked for their views, and he had also written to the TUC on the question of how the relevant unions could best be represented in view of the employment implications of mergers.

The supply industries are sure to oppose any suggestions of sharing facilities, as they have done in the past. The question of competition between gas and electricity and the potential for some form of joint organisation has been debated many times over the last 20 years.

In the 1950s the Weir Committee, after an inquiry, came down against any such form of joint activity.

The gas and electricity industries have told the Energy Department that they do not feel that they could provide a proper service if yoked together. Showrooms were used for a wide variety of activities, including servicing and accounts, which could not be integrated easily.

Plessey pins hopes on growing exports

BY CHRISTOPHER LORENZ

PLESSEY HOPES its growing export business will at least partly offset the effect of cuts in the Post Office's telephone equipment ordering programme, the company said yesterday.

The immediate outlook, however, "clearly poses problems" for the equipment manufacturers, the company said.

The statment came after Wednesday's warning by the Post Office of severe cuts in the forecast budget for telecommunications equipment orders over the next two or three years, and yesterday's Financial Times report that the P.O.'s suppliers consider that the Post Office proposals for the present year's orders amount to a cut of between 15 and 25 per cent.

Plessey, which with GEC and Standard Telephones and Cables is one of the Post Office's three main suppliers, said it was impossible to comment on the likely effects of P.O. cuts until it had held full discussions with the P.O. on any revision to order schedules.

A hint of the pressure that the manufacturers are putting on the Post Office to moderate the cuts, or at least to phase them over a longer period, was given at the end of Plessey's statement, which referred to "any cuts which may ultimately be imposed by the Post Office."

Meanwhile, the appointment of public auditors to inspect the books of the P.O.'s telephone cable suppliers—to look into such matters as material costs and margins—is being proposed by at least one of the companies as a way out of the current impasse between the Post Office and its cable suppliers.

The Post Office has asked to see their books in the wake of the disclosure last spring of controversial inter-company agreements, but the companies are loath to see the Post Office judging its own case.

U.S. pollution study helps Concorde

By Michael Donne
Aerospace Correspondent

THE EFFECT of Concorde's engine exhaust emissions on the upper atmosphere may be much less than previously thought likely, according to a new study by U.S. scientists.

The study suggests that, in a sunlit sky any destruction of the ozone layer shielding the earth by the nitrous oxides from an aircraft is very nearly balanced by the normal production of new ozone.

Environmentalists have used the argument of "ozone depletion" to attack Concorde, suggesting that any damage to the ozone layer would result in an increase in ultra-violet radiation reaching earth, causing such things as an increase in skin cancer.

The new study is by G. R. Hilst, C. du P. Donaldson and R. Contiliano of Aeronautical Research Associates of Princeton.

Soviet fleet in prices broadside

BY ARTHUR SMITH

A WARNING of the threat to British shipping posed by the price-cutting activities of East European countries came yesterday from the General Council of British Shipping. In particular, the projected rapid expansion of the Russian commercial fleet is an area of much concern.

Mr. Tim Bolton, the Council president, told a London Press conference that "rate-dumping and other non-commercial practices" by Eastren bloc shipping were increasingly rife. "Their ships are undercutting freight rates by 50 per cent. on some world trade routes and instances of rates 20 and 30 per cent. below those of British and other free enterprise shipping are commonplace," he asserted.

The Council was already having discussions with the Government about the problem and was looking for a "demonstration" of support, said Mr. Ronnie Swayne, chairman of Overseas Containers. However, it was inappropriate at this stage to suggest how the Government should act.

Mr. Bolton said that it was not just a British problem and there was need for concerted action within the EEC and the OECD, involving both the United States and Japan. In negotiating with the Eastern bloc, shipping lines needed the strength that would come from support by the Governments of the West.

Mr. Bolton said the Russians had more orders for dry-cargo ships (203 of 1.2m. d.w.t.) and container ships (30 of 471,000 d.w.t.) than any other country. The USSR was also rapidly becoming the largest owner of passenger ships—a sector which was elsewhere declining.

At a time of vast over-capacity in shipping, such expansion posed a very serious threat to traditional maritime countries.

Mr. Bolton said the "aggresive rate-dumping policy" of East European nations was a clear indication that their concept of profitability was utterly different from that of the West. For some British shipping companies the challenge was here and now: for others the threat was potential but very real nonetheless.

EIB lends £23m. for gas

THE GAS CORPORATION has negotiated two further loans, the equivalent of £23.6m., from the European Investment Bank to help with its Frigg transmission investment.

The loans, which follow two totalling £24.2m. previously raised this year for the same purpose, are for 10 years at 9¼ per cent. interest.

They will help finance the second phase of the £350m. programme for the major markets of Britain which the Corporation has now embarked on to distribute gas from the Frigg and other fields landed in north-east Scotland.

The EIB said yesterday that the new loan brought to £211m. the total finance provided by the bank for projects in the U.K. since Britain joined the EEC.

RAC puts end to 'nightmare'

The RAC is fitting its rescue fleet with Solo-matic breakdown recovery tow bars which overrides the steering the vehicle being towed.

The club said: "Being towed on the end of a rope is a nightmare to many drivers. This equipment takes all the fear out of being towed, both for the member and the patrolman, and will come in particularly useful in the holiday period when many breakdowns occur."

LONG RANGE WEATHER

Dry and sunny August ahead

THE United Kingdom will be mostly dry, warm and sunny in August, the Met. Office said yesterday.

It added: "A good deal of warm, dry and sunny weather is expected with only brief unsettled spells. Mean temperatures are expected to be much above average and sunshine amounts above average in most districts.

"Rainfall totals are likely to be below average generally."

ICI asks doctors to restrict drug

ICI has asked doctors to restrict Eraldin, a heart drug, to hospital patients from October 1, after reports of about 400 cases of side-effects over the last year.

The decision, the latest of a number of warnings to doctors after the first adverse reports last year, will affect about 10,000 heart patients in Britain, and about seven times as many overseas, the company believes.

Commercially, the decision is a blow to ICI Pharmaceuticals, which has spent several million pounds developing the "beta-blocker," type of heart drug.

Although only one of three major drugs of this type introduced over the last ten years, Eraldin was considered to be particularly useful for heart patients also suffering from bronchitis or asthma.

Altogether, some 250,000 patients have already been treated with the drug.

But the company is stressing that the drug should not be withdrawn abruptly from patients—hence the two-month delay before implementing restrictions. It is advising doctors to phase out the drug gradually and replace it with another "beta-blocker" drug.

The first side-effects noted in patients taking Eraldin (practalol) were eye troubles and skin rashes. Earlier this year another side-effect—a form of peritonitis—began to appear in a few patients. According to ICI, most of the problems have proved mild and the majority of victims have recovered quickly.

U.K. fights for Arab order

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A BATTLE is now being fought between the British and French aerospace industries to win an order from a group of Arab states, headed by Egypt, for what could amount to more than £200m. worth of light combat aircraft.

The contestants are Hawker Siddeley Aviation, with its Hawk combat-trainer, powered by the Rolls-Royce-Turbomeca Adour engine, and the Franco-German Dassault-Dornier Alpha-Jet, powered by the Snecma-Turbomeca Larzac engine.

The Hawk has just returned from a four-day demonstration visit to Egypt, at the invitation of the Egyptian Air Force, during which it was flown frequently by pilots who flew Egyptian-owned Mig fighters during the Yom Kippur War. The French are expected to send an Alpha-Jet to Egypt soon.

The order, for between 100 and 200 light combat aircraft, is part of a much larger arms deal now in negotiation with the newly created Arab Military Industrialisation Organisation (AMIO), set up by Egypt, Saudi Arabia, United Arab Emirates and Qatar, with basic capital of $1.04bn.

The aim of AMIO is to promote Arab military capabilities, including the ability to manufacture combat aircraft and engines under licence in Egypt.

The U.K. already has hopes of clinching a major order for 250 Westland Lynx multi-purpose helicopters, each worth about £1m. with 20 being supplied from the U.K. and the rest being built under licence in Egypt at the rate of four a month; the first to be delivered within two years of contract signature.

A broadly similar deal is now being discussed with AMIO on the light combat aircraft. The aim is for a comparatively small number of aircraft to be delivered from Europe, with the rest being built under licence in Egypt.

Whereas at one time the U.K. appeared to be alone with the £1m. Hawk, the French aerospace industry has now moved in, following its failure to win the European Starfighter replacement competition with its Dassault Mirage F-1E.

Because this latter aircraft is too big for the Arab requirements, the smaller, lighter ground-support Alpha-Jet fighter/trainer is being offered instead.

Reports circulating in the U.K. aerospace industry indicate that the French have made such a good offer that the Egyptians are being obliged to consider it seriously, although the details are not known.

The matter is understood to have been discussed recently in Paris between the French President M. Giscard d'Estaing, and the Crown Prince Fahd of Saudi Arabia, although contrary to some reports nothing has been decided.

The U.K. industry sources say that they are still negotiating, but that there is no doubt of the vigour of the French industry's approach. Moreover, the U.K. industry has a healthy respect for the Alpha-Jet as a military aircraft.

One of the problems involved in clinching any deal is the question not only of cost, but also of time involved in setting up licence production in Egypt to meet the Arabs' budgetary and military requirements. This is understood to be involving some delicate negotiations.

NVT workers bitter at being 'let down'

BY PETER CARTWRIGHT

REACTION from employees and union officials in the Midlands to the NVT decision was one of bitter disappointment and resentment. "We have been let down by the Government," said Mr. Peter Turner, district secretary of the Confederation of Shipbuilding and Engineering Unions.

"The decision is totally unacceptable. We believe the Government has made the wrong decision and we shall be contacting the Department of Industry urgently in the hope that it is not the only decision that can be made."

The Confederation asked the Government in January on behalf of all the unions at NVT, to take the whole of the industry into public ownership, and it is now the chief voice of both the Small Heath and Wolverhampton factories.

Most of the 3,000 employees heard the news while on holiday. They return to work on August 11, to a three-day week. Mr. Dennis Poore, NVT chairman, has said it might be their last three days.

This is no doubt an exaggeration, but there is little doubt that one of the two factories, probably Wolverhampton, will have to close unless the Government steps in. About 1,600 are employed there.

An immediate meeting of all those shop stewards and union officials who can be contacted is being organised by the confederation to consider the situation.

Mr. Jack Everatt, a leading shop steward on the joint action committee set up by NVT workers, expressed "extreme disgust" at the Government's decision.

He said that Mr. Benn fully committed the Government to saving NVT jobs no less than those at the Meriden co-operative, established with nearly £5m. of Government aid in February.

Talks with NVT management will begin immediately after the holidays.

Mr. Bill Lanworth, district organiser of the Transport Union at Coventry and one of the architects of the co-operative, drew attention to Mr. Poore's statement that NVT was contracted to sell Meriden's output, which includes more than 100 machines with a new left-foot gear change for the U.S. market.

Meriden workers had the greatest sympathy with NVT workers, he said, and hoped they would be able to find a way to preserve their jobs, just as Meriden workers had.

FRENCH CHALLENGE

British Fluid seal manufacturers are faced with an increasingly strong challenge from French competitors, according to Mr. Edward Corbitt, managing director of the George Angus fluid seal division. U.K. competitive ability is being hampered by overseas suspicions about the stability of our economy, he says.

How Japan won motor cycle war

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE CONSULTANTS' report on the British motor cycle industry, published virtually in full by the Government yesterday, traces the woeful collapse of the U.K. manufacturers over the last 15 years in the face of a dedicated assault by the Japanese on world markets.

It concludes that the British companies' losses stem from a cost position which is not competitive with the Japanese, and says that the gap to be made up is now so wide that any new investment programmes would "involve very considerable expenditure risk."

The 120-page report explains how the British industry arrived at a position where it was selling 20,000 units in 1974, against Honda's 2m., and why the British industry has lost £20m. during the 1970s.

The key factors, it says, were:

1—**Market Share Loss.** This stemmed from a concern for short term profitability. As the Japanese entered different sectors of the market, the British withdrew. But surrender of market share "in a fundamental long-term sense" had caused low profitability. In the "superbike" market, where the U.K. industry chose to fight back against the Japanese, there was a failure to introduce new models.

"In 1969, four of the eight models from 450-749 cc available in the United States were Bitish, and the British industry held a 49 per cent. share of this market segment. By 1973, only two of the ten available models were British, and the British market share had fallen to 9 per cent. While British volume remained at roughly 30,000 units, the Japanese volume in the large bikes in the USA increased from 27,000 to 218,000 between 1969 and 1973, the report says.

2—**Profitability and Relative Costs.** The Japanese had indicated price levels for 15 years.

"The Japanese manufacturers are profitable and the British manufacturers have, if anything, tended to price at a premium relative to the Japanese. The conclusion is inescapable. The profit pressure experienced by British manufacturers does not result from price realisations that are lower than for competitors, but from a cost position which is fundamentally uncompetitive with that of the Japanese."

3—**Relative Costs.** The Japanese cost performance had depended on high technology and scale. Whereas Honda had a 1,400-man subsidiary manufacturing machine tools, "low-volume manufacturers like the British industry must use low productivity, general purpose equipment which they obtain from outside machinery suppliers, thereby forgoing the opportunity to develop proprietary technology."

At the same time, only the growing competitor can introduce the most modern equipment without having to justify labour redundancies and "scrap and build" programmes.

"The British industry's performance along each of these dimensions has been disappointing. Mergers, acquisitions, factory closures, redundancy programmes and, most recently, the Meriden dispute have limited the opportunity for the industry to reduce real costs smoothly over time."

Hence at Wolverhampton, the report concludes, "as many as 60 per cent. of the machine tools may be more than 20 years old. Overall net fixed investment per man is approximately £1,300 compared to £5,000 for Honda."

In addition, "suppliers cannot themselves use the lowest cost methods which require high volumes."

As a result of these deficiencies, the Japanese had secured much higher productivity—although, in contrast to the conventional wisdom, their labour costs were higher.

"The full extent of the present disparity in productivity is shown by a comparison of value added per employee. In 1975, an upper figure for the level of value added per man in the British motorcycle factories is £5,000. During the six-month period ending February 1975, Honda achieved a value added figure at the total company level of almost £18,000 per man per year.

"The cost advantage of the Japanese is securely based on this higher productivity. It does not arise from lower labour costs: Japanese labour costs have exceeded those in the British factories for a number of years and have consistently risen more rapidly on trend."

The consultants go on to examine alternative schemes for improving the British industry. They looked at a strategy for low-volume production, at high premium prices, at high-volume production at low premium prices, and an intermediate scheme. They also discuss methods of importing components for British assembly.

But in a devastating conclusion they say that "Possible courses of action now open to the industry are few. The low volume alternative offers the industry a future on a reduced scale, with low profits and limited prospects. The high and medium volume alternatives recognise that long-term commercial viability depends on retrieving the industry's relative competitive cost position, and represent the most commercially feasible means of doing so. The gap to be made up is now so wide, however, that both these alternatives involve very considerable expenditure and risk."

Private capital to fund the necessary investment would be most unlikely given the prospects, the report says.

"At 1975 values, the high volume alternative leads to a cumulative cash flow deficit of at least £51m. in 1979; it does not recover to a zero cumulative flow (undiscounted) until the late 1980s, even if the major risks can be overcome. The medium volume alternative has a smaller cumulative deficit of £38m., but does not achieve a zero cumulative cash flow position until the early 1990s. The low volume alternative has a cumulative deficit of only £15m., but this would not be recovered for more than 25 years.

Strategy alternatives for the British Motor-cycle Industry. HMSO, £1.80.

Warning of price rises for nuclear fuel

BY DAVID FISHLOCK, SCIENCE EDITOR

HIGHER prices for nuclear fuel are foreshadowed by the annual report of British Nuclear Fuels, if the State-owned company is to finance a major capital investment programme on fuel reprocessing and radio-active waste treatment.

The low cost of operating Britain's Magnox nuclear stations compared with fossil-fuel stations encouraged the electricity generating Boards to increase the proportion of nuclear electricity generated last year to 12.9 per cent.

But although the company's sales increased by £18m. last year to more than £83m., profit fell by almost £500,000 to just over £9m.

Sir John Hill, chairman, says that the additional income last year was insufficient to meet increases in the company's own costs, including the provisions being made for long-term storage of waste.

The Treasury recently turned down a company proposition that a development programme involving the construction of pilot plant for solidification of nuclear waste should be funded by the Government.

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PARLIAMENT

Storm of accusation breaks over decision on NVT

BY JUSTIN LONG

THE ANNOUNCEMENT by Mr. Eric Varley, Industry Secretary, that Norton Villiers Triumph is to get no futher State funds, roused a storm of recrimination and accusations from both sides of the Commons yesterday.

Nor has the Government yet ridden out the storm.

With Labour backbenchers among the chief accusers of ministers — confronting them with demands for nationalisation of the motor cycle industry —the Speaker, Mr. Selwyn Lloyd —acceded to a request for a special debate on the issues involved.

This will take place next Thursday—the day the Commons is due to adjourn for the Summer Recess.

For the Government, the embarrassment of the previous day over the Court Line debacle must have seemed a minor affair as Mr. Varley ran into the seething indignation of Wolverhampton MPs, in particular, who made it plain they considered that thousands of workers in their constituencies, had been "betrayed" by the Government's decision to withhold further support from NVT.

Blunder

Once again, as on the previous day, it was Mr. Anthony Wedgwood Benn, Energy Secretary, who was in the eye of the storm. This time, he was not on the Government front bench to hear contentions that he had fully committed the Government, when he was a responsible Minister, to securing the future of the motor cycle industry in this country.

Mr. Michael Heseltine, from the Opposition front bench, waving a supporting letter, was the first to put this claim, adding the condemnation that the Government was now making a total repudiation of that commitment.

"There has been a major ministerial blunder," Mr. Heseltine declared. "There must be a full public inquiry so that those responsible can be held publicly accountable."

Mr. Varley, denying the accusations, and upholding the necessity for the Government's decision, vehemently defended Mr. Benn.

"You have got to stop pursuing your vendetta against him, and using all these things as a stick to beat him," the Energy Secretary told Mr. Heseltine.

But as the exchanges boiled over, it was Labour Left-winger Mrs. Renee Short (Wolverhampton North-East) who took up the attack on the Government. She made the reproaches of other Labour MPs, including Mr. Eric Heffer, look mild by comparison.

MRS. RENEE SHORT

Think again, she tells Varley.

Mr. Varley, she said, should be burying his head in shame at presiding over this situation.

"Isn't it time you thought again and decided to take the firm into public ownership as your predecessor was intending to do?" she demanded—the predecessor, of course, being Mr. Benn.

Mr. Varley jumped up once again in defence of Mr. Benn.

"I resent the implications of your remarks," he told Mrs. Short. The statement he had made was made on behalf of the whole Government, and Mr. Benn had interpreted the question of the future of the industry in no way different from that of the Government.

During the course of the inquisition, Mr. Heseltine wanted to know what consequences the Minister foresaw for those involved in the industry and what was the expectation of lost jobs.

Mr. Varley refused to accept the suggestion that the Labour Government had originated the problems over NVT. He recalled that Mr. Christopher Chataway, when Conservative Minister for Industrial Development, had first undertaken Government intervention in the company.

From the Labour backbenches, Mr. Leslie Huckfield suggested that the real reason why valuable markets in the U.S. had been lost was not through Mr. Benn, nor the Meriden Co-operative, but because of the "procrastination and failure to sign agreements by Mr. Dennis Poore, the NVT chairman."

It was time somebody asked Mr. Poore whether he actually wanted to make or sell motorbikes, said Mr. Huckfield.

Mr. Varley replied that Meriden was a separate entity so far as agreement with NVT was concerned.

But the Minister agreed with Mr. Huckfield that the problem was one of markets. There had been a collapse of the American market, which was the dominant one.

"There are now something like 13,000 motor cycles stocked throughout the world and no prospect of sales."

From the Tory side, Mr. Hal Miller, (Bromsgrove and Redditch) claimed that workers and shareholders would be at loss through "an injustice sustained in consequence of mal-administration by Mr. Benn."

Ombudsman

He alleged that Mr. Benn had wilfully set up a third factory —the Meriden Co-operative—in contradiction of advice from his own advisory board and "blackmailed" the workforce and managements into agreements with the Meriden Co-operative.

Mr. Miller wanted the matter referred to the Ombudsman.

Mr. Varley rejected all the accusations. "You wholly misrepresent the view and actions of Mr. Benn," the Minister said. "No-one could have done more than he to try and help this industry."

He read from Press cuttings of Mr. Benn's visit to Small Heath, which he said, showed that no guarantees about jobs were given.

Former junior Industry Minister Mr. Eric Heffer, (Walton, Labour) said that the previou Consevative Government had carried out discussions about the possibility of setting up a co-operative at Meriden.

Private industry had totally failed an he, too, called on the Government to take the company into full public ownership.

Mr. Varley argued that public ownership would involve a disproportionate amount of public funds about this time.

Mr. Robert Edwards (Labour, Wolverhampton S.E.) said Mr. Varley's statement would cause despair in Wolverhampton. The closure of the factory there would involve over 60 different establishments, which provided components for the motor cycle industry.

Dismay

Mr. Maurice Edelman (Lab., Coventry North West) said the Government's statement would be greeted with dismay in the Midlands where unemployment was already so high.

"A large number of motor-cycle workers will feel they have been led up the garden path . . . and now left competing with each other for jobs."

Mr. Edelman also asked Mr. Varley to set up a holding company for both Meriden and NVT which could work out, with the workers concerned, a policy for the industry's survival.

Mr. Varley replied that it would have been impossible for the Government to provide money to support the work force because of the enormous sums involved.

"If one wanted to maintain the present workforce, that is, 3,500, it would involve Government expenditure of about £50m. —and there are suggestions that that would not be sufficient," the Minister added.

State industry attack

LOSSES so far reported by the nationalised industries over the past year totalled an amount equal to £14 per head of the population, Mr. Tim Renton (C, mid-Sussex) said.

People were having to pay for those losses out of their "straitened incomes."

Mr. Edward Short, Leader of the House, deputising for the Prime Minister, said the difficulties reflected the constraints of public industries on their pricing policies.

Mr. Frank Allaun (Lab. Salford E), said the Prime Minister had recently encouraged France and Germany to expand their economies, an dasked why Britain was having to cut back.

Mr. Short replied that the Employment Secretary, Mr. Michael Foot, would make a statement on that point before the summer recess.

Loss 'totals £3.1bn.'

SINCE nationalisation began in Britain, state-run industries have lost a total of nearly £2.5bn.—and another £650m. in the past year, Mr. Eldon Griffiths, opposition spokesman on Europe," said last night.

"They did this without paying tax," he added.

Mr. Griffiths, MP for Bury St. Edmunds, who was speaking at the town's Corn Exchange, said these same industries had also written off in accumulated losses or debts the equivalent in present day values of more than £5bn.

"On the facts, there is no evidence that the nationalised industries do a better job than private enterprise. "On the facts, their performance is worse.

Mr. Griffiths said the time had come for private enterprise to fight back against its oppressors and detractors.

London 'bonus' caught by £6 limit

INCREASES IN London Weighting allowances which fall due on or after August 1 this year will count against the £6 pay limit, outlined in the White Paper, The Attack on Inflation.

This was made clear by Mr. Michael Foot, Secretary for Employment, in a written answer to a Parliamentary question.

Mr. Foot: "The pay limits apply to any such increases on or after August 1, and they will then have to be kept, with the annual settlement, within the £6 limit, with the cut-off at £8,500. Reviews of London weighting with due dates before August 1 may be negotiated only in strict accordance with the existing (TUC) guidelines."

Cheap mail idea 'too costly'

THE Post Office has again turned down the idea of a cheap rate for Christmas cards posted early, Lord Beswick, Minister of State, Industry, told the Lords.

Baroness Burton of Coventry (Lab.) had suggested a concession would help the Post Office and reduce the Christmas rush.

Lord Beswick said the Post Office had concluded, reluctantly that it could not accept the cost penalty involved.

Second PPS

Mr. Peter Shore, Secretary for Trade, has appointed Mr. Bryan Gould, MP for Southampton Test, as his Parliamentary Private Secretary. Mr. Shore's present PPS, Mr. John Prescott, MP for Kingston upon Hull East, recently appointed to the European Assembly, will continue to assist the Secretary in the House.

No more money, says Varley

THE GOVERNMENT has refused any further funds for Norton Villiers Triumph, the Industry Secretary, Mr. Eric Varley, told the Commons.

"In July 1973, the previous Administration was instrumental in the creation of Norton Villiers Triumph, which absorbed the motor cycle activities of the earlier BSA company," Mr. Varley went on.

"£4.87m. assistance was provided under Section 8 of the Industry Act 1972. Subsequently NVT decided to close their Meriden factory.

"My predecessor announced in July 1974 that the Government would be prepared to make available £4.95m. towards the formation of a co-operative at Meriden subject to certain conditions, including the necessary agreements being negotiated with NVT for the purchase of assets and marketing.

"Last March, the House approved export credit guarantees on a long term basis for NVT under Section 8 of the Industry Act for £8m., to which an additional facility would be available for £4m. from ECGD under their normal commercial arrangements.

"In addition, a special guarantee facility of £6m. was authorised for the Meriden output. However, NVT's sales abroad have fallen dramatically.

Guarantee

"The export guarantee provided against their long term needs has in the course of the past three months almost been used up, and substantial stocks of unsold motor cycles have accumulated.

"In these circumstances, the Export Credit Guarantee Department concluded that it would not be justified in guaranteeing further finance to increase stocks which are unlikely to be sold for some time.

"This situation has nothing whatsoever to do with the setting up of the Meriden Co-operative, which has not yet entered the North American export market.

"Even after this guarantee had been withdrawn nearly £24m. of public money has been spent or committed to the motor cycle industry in the past two years.

"To enable the Government to form a view of the long term prospects for the industry, my predecessor commissioned a study by the Boston Consulting Group.

"I have now received their report, and have considered its conclusions, together with representatives of management and workforce in the industry.

"I have decided that, apart from commercially confidential material, the full report should be published.

"The consultants were not asked to make a specific recommendation but to evaluate possible development strategies.

Failure

"The consultants characterised the history of the industry during the 1960s as one of a progressive loss of market share, a failure to introduce competitive new models and a concentration on the largest motor cycles through a managerial preoccupation with short-term profits.

"In the event this policy turned out to be mistaken and contributed to the financial difficulties of BSA. The main market for our motor cycles is now in North America.

"Total sales there increased at a rate of 15 per cent. a year from 1968 to 1974, but our share fell dramatically during that period.

"After full consideration of possible future courses, the Consultants identified three which appeared to hold the best prospect.

"One was for a much smaller industry. The second was for an industryj employing about the same workforce as at present. The third was an intermedite strategy.

"Additional Government funds required range from a minimum of £15m. for the first strategy to £50m. and more if the workforce directly employed on motor cycles were maintained at its present size of about 3,000—without provision for contingencies.

"All three courses called for the rapid development of new models, the installation of new equipment, and concentration of production in at most two factories.

"All would involve high risks, and at best employment on making motor cycles would be no higher than at present—if everything worked out right.

"Even if everything did go right and all the risks could he surmounted, the Consultants' report indicates that the industry would have cash flow deficits which would not be recovered at the very best until the late 1980s.

"In addition to the options identified by the Consultants, the Government has weighed very carefully other proposals and possibilities for a further investment in the industry, enabling it to recapture markets from which it has successfully withdrawn.

"In view of the importance of the subject, I have consulted the Industrial Development Advisory Board as recently enlarged. In their opinion, none of the strategies identified by the Consultants offered an adequate prospect of viability.

"The Board looked for an alternative option but were unable to recommend one. One of the factors that the Government had to take into account when considering the large scale of support that would be required under the options identified by the Consultants was the many other calls on Government money in other spheres of economic and social policy, and the need to ensure that our limited resources are used to the best advantage.

"The management of NVT have pressed me for an urgent decisio nabout the provision of further funds.

Thorough

"In the light of our most thorough consideration of all possibilities the Government have concluded that this request for funds must be refused.

"I want to make clear that we have given full weight to the skill and enthusiasm of the workforce and the employment situation in the Midlands.

"The Secretary of State for Employment will be asking the Manpower Services Commission to do everything they can to help those workers affected to find new jobs.

"We have not taken our decision lightly, and if I had felt that any more favourable decision was a practical proposition we would of course have chosen it."

Sad statement, Lords told

"THIS IS a sad statement. This country, from one leading the motor cycle manufacturing industry of the world has seen its market eroded, not only in Britain, but throughout the world and it has done so over the last 10 or 20 years," Lord Shepherd, Government spokesman in the Lord, told peers.

Replying to criticisms from Opposition spokesman Lord Aberdare he said: "Before we hear talk of mismanagement, you should read the report. Where we were once the leader, we shall now have no motorcycle industry."

But, added Lord Shepherd, the Meriden factory, since becoming a co-operative, had produced more than twice as many machines with a smaller labour force.

Earlier, Lord Aberdare said that the decision was "lamentable."

"We shall have to study the Boston Report but in present circumstances I reluctantly do not quarrel with the decision to refuse further funds to Norton Villiers Triumph in the face of the fact that we need to curb Government expenditure.

"But the affair has been badly mismanaged by the Government, although all praise is due to the Minister for having accepted the advice of the Industrial Development Advisory Board."

It was a pity that Mr. Benn had not done that and saved a great deal of public money. This was a tragic example of the results of a Government interfering with economic facts of life for political purposes."

Lord Rochester (L.) said it was realised that the effect of the decision would mean that even more people would be out of work although other employment would be available for them after training.

The Government should accept that economies could be achieved, especially by foregoing further nationalisation schemes.

After Lord Shepherd had replied, saying that we would have no motorcycle industry, Lord Hailsham from the Opposition front bench asked, when, after Meriden, Court Line and Upper Clyde Shipbuilders, the Government would realise "we cannot afford Mr. Benn."

Lord Shepherd: "We could not afford Rolls-Royce going into bankruptcy."

Lord Hailsham said the case of Rolls-Royce was entirely different. Although the shareholders had suffered, the workers retained their jobs.

But according to the Benn way of doing things the public had suffered in the Court Line collapse and the workers had suffered in the case of Meriden, Upper Clyde Shipbuilders and the Beagle Aircraft.

Lord Shepherd said there was not a degree of truth in what Lord Hailsham had said.

'Better than no policy at all'

Lord Hailsham, from the Opposition front bench, launched a devastating attack on the Government's counter-inflation policy.

But he said, "It is better than no policy at all, just as this Government, hopeless and incompetent though it is, is better than no Government at all and better than Government by the Tribune group."

His comment came during the committee stage of the Remuneration, Charges and Grants Bill, which implements the £6 wage increase ceiling.

Because changes could be made to the Bill by Parliamentary orders, Lord Hailsham said a worker would therefore be deprived of legal contractual rights by way of a document which had not only not been seen, but had not even been made.

He said of the legislation: "It is a contemptible Bill, and a reprehensible Bill even on the assumption that the policy will work—which it will not."

But Lord Hughes, Government spokesman for Employment, told Lord Hailsham that the people whose co-operation would be needed in getting the incomes policy to work were much more concerned with the effects of the policy on them than the fine legal ways in which the policy was brought about.

Liberal leader Lord Byers moved, but later withdrew, a new clause to give exemption from the £6 limit to any employer who wished to secure improved pension scheme benefits.

The committee stage concluded. The Bill then formally completed its report stage and third reading and was passed.

Two decades before CTT produces its full yield

BY OUR PARLIAMENTARY STAFF

TWO OR three decades will elapse before capital transfer tax produces its full yield, Mr. Joel Barnett, Chief Secretary to the Treasury, stated in a written answer in the Commons yesterday.

He had been asked to estimate the yield which CTT and the wealth tax are expected to produce from agriculture.

Mr Barnett stated: "As far as can be foreseen, the eventual yield of CTT on agriculture at present capital values will probably lie in the range of £75m.-£125m.

"The yield from wealth tax will depend on decisions yet to be taken about the form and weight of the tax including the treatment of husband and wife and the special considerations affecting the value of agricultural land."

He also recalled that the Government has set up an inter-department study into the effects of capital taxation on agricultural production.

Next week's business

MONDAY — Consideration of Lords Amendments to the Social Security Pensions Bill, Child Benefit Bill, and Housing Finance (Special Provisions) Bill.

TUESDAY — Completion of remaining stages of the Employment Protection Bill. Motion on the undertaking with Caledonian Macbrayne.

WEDNESDAY — Until seven o'clock a debate on Court Line afterwards a debate on the Textile, Clothing and Footwear Industries.

THURSDAY — House will take Questions until Noon, then adjourn for the Summer until Monday, October 13.

LABOUR NEWS

Majority of 7 vote to carry on Alford and Alder strike

BY JOHN WYLES, LABOUR REPORTER

STRIKERS at the British Leyland subsidiary Alford and Alder voted yesterday by the slimmest of majorities to continue a pay strike which has made 11,000 car workers idle and disrupted production of a range of cars including the 18/22 car range.

The majority of seven against a return to work was secured only by the votes of 21 shop stewards and there were some angry scenes among the 600 members of the Amalgamated Union of Engineering Workers at yesterday's mass meeting involving men who wanted to end the seven-week stoppage.

The 800 men produce suspension and steering parts for Leyland cars and since they began their strike, Leyland has lost £15m. worth of production. Main production plants where men have been laid off because of the lack of components include the Triumph and Jaguar works at Coventry, Triumph in Liverpool and the Cowley complex.

Originally the AUEW members stopped work in support of an interim claim for a £10 a week increase to be paid three months in advance of their annual payments date of October 1. However, they have changed their demands since the publication of the Government's White Paper and are demanding a guarantee that they will be paid the £6 maximum from October.

AUEW convener, Mr. Ted Mitchell said after the meeting: "We are prepared to wait until October for the rise and we have compromised on our original claim. Now we just have to wati to see what the management do."

Commenting on the vote he added: "It is an invidious situation. We are obviously split down the middle."

Boyd calls AUEW 'unhealthy' and urges real Unity

BY OUR LABOUR REPORTER

THE PRESENT STATE of the merger of the four sections of the Amalgamated Union of Engineering Workers, Mr. John Boyd, the AUEW's new general secretary, says to-day, is "unhealthy."

His editorial in the August issue of the AUEW journal is likely to fuel the political tensions within the union which have built up since his election, and they could well be a sharp behind-the-scenes response to his description of the three smaller sections of the AUEW as "a few small unions with no future."

Leaders of the constructional, foundry, and technical and supervisory sections were reluctant to comment last night on Mr. Boyd's editorial but saw it privately as in keeping with his generally ambiguous attitude towards the amalgamation.

Publicly Mr. Boyd has backed moves to form a single union for the engineering industry but as leader of the AUEW right-wingers he is held responsible as his political opponents for this year's rejection by the dominant engineering section's national committee of proposals designed to transform the present loose amalgamation into a full merger.

In his editorial Mr. Boyd accepts his share of the blame for the weaknesses of the current set-up, which, he claims, has recently resulted in "distorted policy decisions." This appears to be a reference to the AUEW conference in June which committed the union to opposing the social contract, on a majority vote secured by foundry-worker delegates mandated by their own sectional conference.

Strength

"The present state is an unhealthy one," says Mr. Bond, who goes on to call for a "strong unified union."

But his apparent enthusiasm for a single "unified union" may well be viewed with suspicion by the left-wing leaders of the constructional and technical sections, who are insisting that any tightening-up of the merger must not mean total absorption and loss of identity.

Mr. Boyd goes on in his editorial to call for changes in the attitudes of all four sections so that new amalgamation proposals can be framed for the approval of next year's engineering section national committee.

He also risks the wrath of some of his colleagues by inviting AUEW members to support the Government's anti-inflation policy—despite the union's official hostility.

"We cannot contract out of our responsibilities: we must play our part and speed the day when the cost of living will be reducerd, money wages translated into real earnings, and further improvements in our standard of living made possible."

Welsh TUC wants to see Wilson over steel jobs

BY OUR LABOUR STAFF

THE WELSH TUC yesterday requested a meeting with the Prime Minister to discuss the "devastating" consequences for Wales of the latest cost saving plan agreed by the British Steel Corporation and unions at national level earlier this week.

It is also protesting to the TUC in London about its "acquiesence" in the plan, said Mr. George Wright, general secretary.

Mr. Wright said the plan could lose about 4,000 Welsh steel jobs at a time when unemployment in Wales had reached pre-war levels.

Trade unions in Wales could not accept a further massive rise in unemployment as a result of Tuesday's deal. "We view the situation at present almost with despair."

The Welsh TUC was seeking the meeting with Mr. Wilson, Mr. Eric Varley, Industry Secretary, Mr. Michael Foot, Employment Secretary, and other Ministers for "some immediate improvement in the chronic unemployment situation."

One of the Welsh TUC's main concerns will be to impress once more upon the Government the need to provide alternative employment in Wales if massive dismissals of steel workers occur.

Chris Baur writes from Edinburgh: A call to the Government and the BSC to end uncertainty about the future of the steel industry in Scotland was issued yesterday by the Scottish Council (Development and Industry).

The statement, warning against the danger or prejudicing the long-term prospects of Scottish steel plants by "irresolute, short-term measures," comes in the wake of union agreement to BSC proposals to seek an estimated 1,000 redundancies in Scotland, as part of the 6,000 dismissals the corporation wants immediately because of the recession.

It also anticipates next week's expected Government decision on BSC plans for closing open-hearth operations in five Central Scotland steelworks, during the next two or three years, with a loss of up to 4,800 jobs.

These plans have been the subject of a review since last autumn by Lord Beswick, Minister of State at the Department of Industry.

ASTMS leaders discuss officials' strike threat

BY OUR LABOUR STAFF

LEADERS of the Association of Scientific, Technical and Managerial Staffs meet to-night to discuss a threat by the union's 100 full-time officials to go on strike over a girl trainee official whom they claim is being dismissed.

The issue is embarrassing for the union leadership and for its general secretary, Mr. Clive Jenkins, who apparently made the final decision that the trainee was not suitable for "confirmation" as an officer, after her initial six months probationary period.

A spokesman for the officers yesterday denied a suggestion that the dispute was the result of a growing rift between them and the national executive of the union, their employers.

Mr. Don Groves, who is Midlands divisional organiser, said the threatened action was in protest at the girl's lack of opportunity to answer the criticisms made of her and challenge her "unsuitability."

Yesterday Mr. Jenkins said that the decision had been made on the basis of internal reports. These reports seemed "quite conclusive."

He added: "This has nothing to do with politics or personalities, only with suitability."

If the situation is not resolved quickly the strike seems certain to go ahead from the week-end. If it does, it would be a strike virtually without precedent in union history, although other unions have had internal staff disputes recently—including the Amalgamated Union of Engineering Workers and the National nad Local Government Officers Association.

The ASTMS officers, themselves members of the union, had planned to announce their decision to-day but news of the revolt leaked out on Wednesday night.

Cheap imports protest

A COTTON MILL, facing closure, because of cheap foreign imports, is to be in the vanguard of a campaign for all textile workers to black foreign yarns and cloths.

The Empress Mill at Ince, the last cotton spinning mill in the Wigan area, will get the first delivery of 50,000 leaflets being distributed to all Lancashire mills by the Amalgamated Textile Workers' Union next week.

Mr. Bill Iveson, personnel director of the northern spinning division of Courtaulds, yesterday met workers to reiterate their proposal to close the mill on August 15 throwing 350 workers out of work.

Mr. Gerry Banks, district secretary of the spinning section said afterwards: "Courtaulds told us that if we could stop the use of these foreign yarns, they would keep the Empress open. We will see if they are as good as their word."

Union tug-o'-war held up

THE TUC will have to wait at least two months more for a High Court ruling over its inter-union disputes procedure. An action over the future of 3,000 whilte-collar workers, in which this procedure figures as a major issue, was adjourned yesterday until the start of the next legal term in October.

So there will be no opportunity for the TUC to consider any implications of the judge's ruling before, or at the annual Congress in September.

The hearing, before Mr. Justice Foster, arose out of the merger last August of the 3,000-member General Accident Fire and Life Assurance group's staff association SAGA with the Association of Professional, Executive, Clerical and Computer Staffs—APEX.

Council for Scots truck drivers

By Our Labour Staff

ROAD HAULAGE companies in Scotland have agreed with the Transport and General Workers Union to set up a joint industrial council to negotiate wages and conditions.

The agreement is a direct result of the long and bitter strike by Scottish lorry drivers last autumn in pursuit of £40 for a 40-hour week. The strike led to a rash of similar claims and settlements all over Britain.

Both the union and the employers, members of the Road Haulage Association, believe that permanent formal machinery—long advocated by the TGWU and many employers—will prevent a repetition of last year's crisis when pay negotiations begin this this year for October settlement.

Similar councils have been set up in other parts of the country as a result of last year's experience.

The Scottish council which will not include State-owned operators and one or two big companies with long-standing agreements, was helped onto the road by the Advisory Conciliation and Arbitration Service.

It could strengthen the TGWU's request to the Department of Employment to have the Road Haulage Wages Council wound up. This statutory body lays down minimum rates that bear little relation to the rates negotiated locally—often on a company by company basis.

● Mr. Alex Kitson, TGWU executive officer, warns in the union's road haulage newspaper that the union will defend any members who refuse to operate tachographs (the so-called "spy in the cab") required by EEC legislation from next year.

Talks sought on TV tube industry

By Our Labour Reporter

Mr. Eric Varley, Secretary for Industry, agreed yesterday to investigate the possibilities of setting up tripartite talks involving management, unions and Government officials to discuss the problems of the British TV tube industry.

This proposal was put to him by Mr. David Busnett, general secretary of the General and Municipal Workers' Union and Mr. David Warburton, a national officer of the union, who urged speedy action to safeguard jobs after the recent announcement of large-scale redundancies at Pilkington's Ravenhead plant at St. Helens.

The GMWU wants the major companies in the industry, including Pilkington and Thorn to take part in the tri-partite talks which it claims must agree steps to "save the industry."

By-pass opens

The three-mile southern section of the M66 Bury easterly by-pass will open on Monday, the Environment Department said yesterday. It runs from the M62 at Simister to the A58 Rochdale Road at Heap Bridge.

The Property Market

BY JOHN TRAFFORD

A trend to still lower yields in the south

"SOUTH-WEST is best" seems to be the present refrain of many a fund manager as he scours the country for property to absorb the avalanche of cash which threatens to bury him.

The cry seems to have been taken up with the vengeance for a certain category of property and in isolated instances yields are drifting towards their lowest levels for over 18 months. At present the "ideal" property investment in the eyes of a number of fund managers appears to be: a prime office block in a commuting town south-west of London, let to a single tenant of the highest repute and costing around £500,000.

Two recent sets of negotiations on deals yet to be completed fall into this precise category. One is a 10,000 square foot office block at Woking let to Sainsbury.

The institutional purchaser is expected to see an initial yield of no more than 6 per cent although this will rise to 6.3 per cent. on a fixed rent review after three years.

The other negotiation concerns a 10,000 square foot office block at Weybridge let to Elmbridge District Council. The vendors are Marbleford, a subsidiary of Fortress Trust. The proposal represents a yield of 6.29 per cent.—yet earlier this year the same property did not attract buyers at a yield of 8.25 per cent.

Both the Woking and the Weybridge deals involve sums in the £500,000 region. The same pattern can be seen in a south west London suburb where another deal in the £500.000 region is going through. This is a mixed development of offices, a supermarket and flats. Nevertheless, a yield of 7.3 per cent. is being negotiated.

The quickest way to distort a market—and property is no exception—is for purchasers to play follow-my-leader. There now appears a real danger that office properties in certain towns favoured by the institutions will become overvalued in relation both to other property and other forms of investment.

The point is made neatly by the sale of a 9,500 square foot modernised office building at 4, Palace Gate in Kensington to the Government of Korea which was announced yesterday. The agreed figure was around £1m. showing a yield of about 7 per cent. Romulus Construction were the vendors and Jones Lang Wootton acted on their behalf.

The higher yield on the Palace Gate transaction also reminds one that better bargains are being obtained on more expensive properties—generally those costing over £1m. Fewer funds and owner-occupiers are competing for premises in this more rarified atmosphere and all the evidence points to higher yields being obtained by willing buyers.

Sun Life of Canada deal

STILL ON the question of investment policy, Sun Life of Canada has this week demonstrated what can be done by an institution willing to stray from the narrow confines of south of England office developments. The company has just paid nearly £500,000 (that familiar figure) for Phase II of the Mackenzie Hill industrial estate at Blackpole Road, Worcester. The five units in the 65,000 square feet development are fully let to three public companies: Tube Investments, Wolseley Hughes and Deritend Stamping. The initial yield on the purchase is 10.5 per cent.

Yields of that magnitude must act as an attraction to the more adventurous fund managers despite the traditional managerial headaches associated with administering an industrial estate.

The Blackpole Road project was started many years ago when Mackenzie Hill built a large warehouse and free standing office block (as Phase I), both now occupied by Wolseley Hughes. Phase II was initially a joint development by Mackenzie Hill and Hambro Life. At a later date Mackenzie Hill disposed of its interest to Hambro Life which in its turn has now sold the property to Sun Life of Canada. In this latest transaction, Bellfield, the Halesowen agents, and Mackenzie Hill acted on Hambro Life's behalf.

The ambitious Phase III of the development comprising 85,000 square feet of warehouses is now completed and available for letting with asking rents of 85p a square foot. Since the property is right by the M5 motorway, few people are likely to complain about its location.

A sale on the City Fringes

THE "City Fringes" may be a haven for property development and investment during a boom but they are scarcely the place to expect action at a time like this. So it is encouraging that the Society of Civil Servants has managed to find £750,000 to buy the freehold of its head office at 124/126 Southwark Street, London, SE1. The vendors are our old friends, the ever-bashful "well-known life insurance company."

The property comprises nearly 10,000 gross square foot of offices and is situated just opposite an air-conditioned office which was let to Rank-Xerox 18 months ago at £7 a square foot. Current rental levels for the SCS head office would probably be around £6 a square foot which suggest a notional yield of about 7.5 per cent. for the investment.

David Lyall of Barrington Laurance, who acted for the Society of Civil Servants, enthuses about the deal. He sees it as "significant at a time when the institutions are hesitant to invest in property on the City's borders. Many other occupiers could save considerably on their long-term outgoings if they followed the Society's example."

AIP's top industrials

ABOUT 20 per cent. of the total of 125,000 square feet available on Amalgamated Investment and Property's new Westwood Park Trading Estate, West London, has been let to an unnamed electronics group since the development was first put on the market four weeks ago. A rental of around £2.00 a square foot has been agreed.

Leighton Goldhill and Partners, who advised Amalgamated throughout the development and are now sole letting agents report that discussions are going on with two other companies who are expected to take between them three of the 13 units in the development. The single storey warehouses, finished to an unusually high standard for Britain, vary in size from 7,000 to 16,000 square feet.

The estate has been specifically designed to take to-day's larger and longer commercial vehicles. There are power operated loading doors, gas-fired warm air heaters in the storage/production areas, solar absorbing windows, close carpeting and underfloor central heating in the offices. The estate is landscaped: a resident estate supervisor will live in a flat on the property.

In view of the high specification, the agents advised Amalgamated to hold the property back until the high standard of finish could be seen and appreciated by prospective tenants — hence the decision to put the estate on the market no more than four weeks ago.

Location of the estate, virtually on the Western Avenue and within three and five miles respectively of the M4 and M1, should help it let quickly. So should the high specification which has few if any equals in West London.

Meanwhile a letting on Amalgamated's 30-acre international trading estate at Hayes, Middlesex, brings the total amount of space let and occupied there to 500,000 square feet. Ripolin has leased 44,000 square feet of warehousing space at £1.65 a square foot leaving 56,000 square feet in units of 15,000 square feet.

The development comprises single-storey factory and warehouse units and has been funded long-term by a major insurance society. Letting agents are Grant and Partners, Bernard Thorpe and Partners, and J. Trevor and Sons.

Investment alla Milanese

THE Communist gains in the Italian local elections in June have inevitably made foreign companies more hesitant in investing in the country. Against that background of uncertainty, it is encouraging to report that Drivers Jonas, the only British commercial agent with an office in Italy, has completed a major industrial sale involving the subsidiaries of two American companies.

Acting on behalf of Plasmon, a subsidiary of *Heinz Foods*, Drivers Jonas have sold a 5,000-square-metre factory and warehouse development standing on eight acres of land at San Giuliano, nine miles south east of Milan, to Lepetit, a subsidiary of Dow Chemicals. The price, which has not been disclosed, is believed to be close to the asking price of L1,050m. (£730,000). The agents consider this a very good price.

To British eyes the sum involved may seem quite modest but it is as well to remember that industrial rents in and around Milan are no more than L15,000 a square metre (under £1 a square foot). Two years ago they were only L8,000-10,000 a square metre. Furthermore, permission has already been granted for a 10,000 square metre extension to the premises if Lepetit needs to expand.

This is the second deal that Drivers Jonas has completed in the past three weeks. The other involved the sale of a 10-acre site just outside Rome on behalf of a British company to ENEL, the Italian electricity authorities.

The agents appear satisfied with their high-risk decision three years ago to set up in Milan. Seventy-five per cent. of their business, mainly agency and valuation work, is now with Italian clients. If only the political situation were more stable, they would clearly be well placed to take advantage of their enterprise.

As it is, the freeze on residential and business rents introduced by the Government in June last year has been extended (following an announcement last week) to June, 1976. Thereafter the expectation is that some relaxation of the freeze will be introduced.

Freeze or no freeze, the level of office rents over the recent months has moved up sharply for new accommodation. Drivers Jonas says that prime office accommodation in central Milan was renting at around L30,000 a square metre two years ago (£1.90 a square foot). To-day it is L60,000 a square metre.

New Bradford warehouses

THE FIRST units in a 48,000 square foot speculative warehouse development by Aylesham Investment Company at Low Moor, south Bradford, will be ready by the end of this month and the full scheme completed by September.

Aylesham's development manager, Stephen Roberts, says he is gratified by the response since the properties were put on the market a fortnight ago even though no lettings have yet been agreed. The development is in three blocks allowing units ranging from 4,500 to 20,000 square feet to be offered at asking rentals in the 95p a square foot range. Since there is almost a dearth of warehouses in the Bradford area, the development should act as a good indicator of the current health of the local industrial lettings market.

The Aylesham Industrial Estate is being built on a 4½ acre site, acquired by the company some months ago, a few miles from the M62 motorway. The company, a subsidiary of the Henry Boot Group of Sheffield, is thinking of carrying out further speculative schemes if this one lets quickly. But since it is the first pure property development scheme undertaken by Aylesham, there must be an extra tinge of anxiety that the scheme will turn out well.

Lettings agents are Donaldson and Sons.

OUT AND ABOUT

● Southampton City Council has accepted Sainsbury's tender to build a district shopping centre at Lords Hill, four miles north west of the city centre. It will comprise a 50,000 gross square foot Sainsbury's supermarket plus a variety of other shops, library, community hall, pub, health centre and church on a 12 acre site. Work should start next April and the supermarket is scheduled for completion by the end of 1977.

● A rental of nearly £15 a square foot has been achieved for the ground floor of the building in Bruton Street, London, W1, previously occupied by Joseph Sebag. Acting on behalf of Joseph Sebag, Dudley Samuel and Harrison made the letting to Air Jamaica. The ground floor has a window frontage of 48 feet.

● Dudley Samuel and Harrison has also acquired on behalf of a firm of fashion retailers the shop premises at 138 Bond Street, London, W1. The rent paid is nearly £1,300 per foot of frontage. Edwards Bigwood and Bewlay acted on behalf of the landlord.

● Over 55 per cent. of the 330,000 square foot Coral Park Estate at Cambridge, developed by J. Coral Estates, has now been let. Pye of Cambridge has taken the whole of Phase II comprising 86,000 square feet, as a new distribution centre. E. Laxon are actively trading in a unit of over 40,000 square feet while Home Charm will be opening a home improvements centre of over 27,000 square feet later this year. Druce and Company are sole letting agents: Bidwells of Cambridge acted for Pye. Current rent levels are from £1.30 a square foot.

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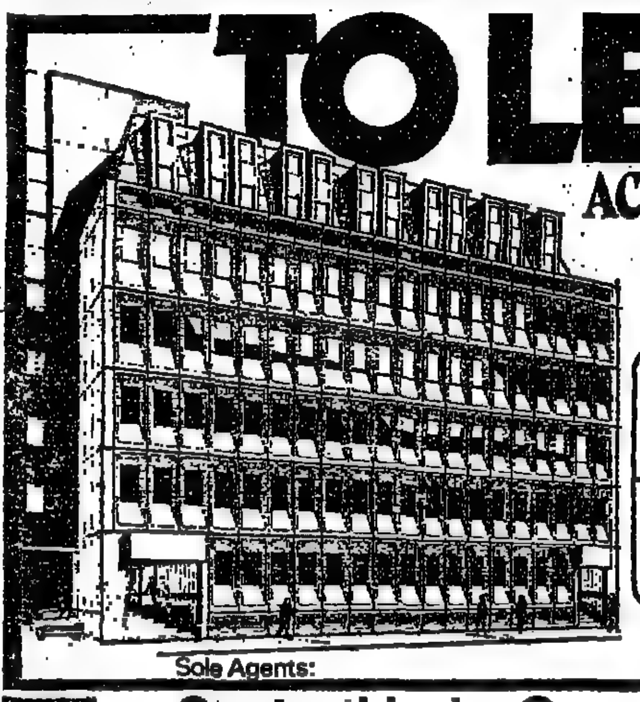

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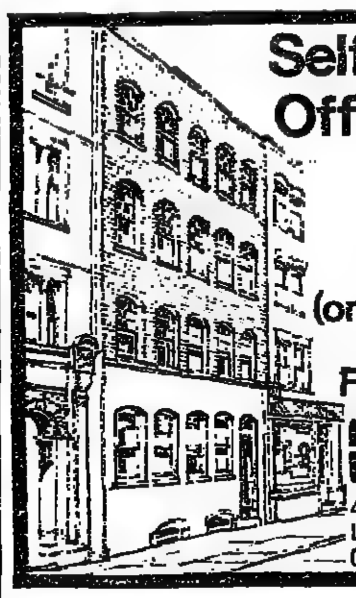

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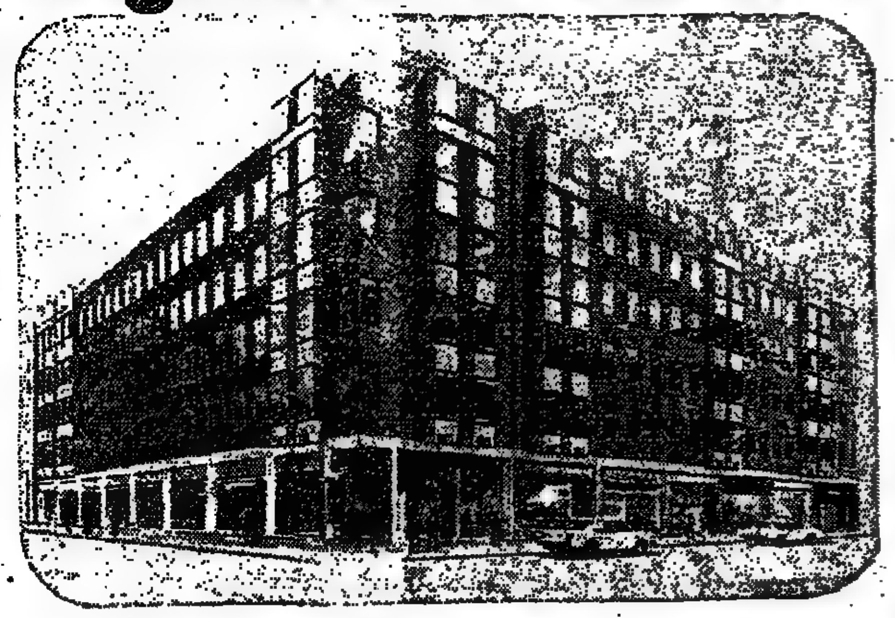

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TRAINING

Artists in pin-stripes

BY SYDNEY PAULDEN

WHEN YOU ARE standing there, cap in hand, asking for a bigger company overdraft, the man you are trying to convince is not just a banker. He is an artist.

That is the view of First National City Bank. For one year now the bank has been operating a European Account Manager Training Unit in Park Lane, London, teaching its junior officers from all over Europe the art of lending money. The unit's chief, Michael Cannon-Brookes, says: "Lending money is not an exact science. It is subjective. In fact, we ask each student to arrive with a real-life example of a complex lending situation, and usually it is one where the class divides down the middle as to whether or not they would make the loan in that particular instance."

The 12-week course run by Cannon-Brookes for 15 lending officers at a time is based on the case discussion method, with the instructors not teaching as such, but simply guiding the students into self-learning. It may appear a tough assignment to approach your bank for finance, but it is apparently not an easy task for the man who has to do the lending, either. Cases are presented to the class and then each lending officer has to say whether or not he would agree to the loan, what action he would take if the client defaulted, what would be the chief risks and how he would minimise them, how he would draft a loan contract to avoid risks or misunderstandings and what general lessons could be learned from the case for the future.

In the U.S. this type of training has been carried out for several years under the title of Financial Engineering, and it concentrated on techniques of analysing company balance sheets and company cash projections. Then Credit Analysis Departments (known as Cads) spread through the international network of the banking group, to *Manila* for the Far East, Beirut for the Middle East and Mexico City for Latin America. Eventually a Eurocad was established in Milan.

This was removed to London last year, and, in the move, the whole of the training programme was changed. London was chosen as the European training station because English is Citibank's international communications language and it was decided that the bank's officers might as well be soaked in English during the courses. It had apparently been too easy to get away with German or French in the Milan bars and night clubs. Furthermore, as London is the group's largest European business centre, the students can benefit from meetings with the group's Product Managers, who are situated here. A Product Manager in the holding company's (Citicorp) vocabulary is the head of a specific group service. Now about one fifth of the course is devoted to absorbing information on special services, such as Cash Management, that the account officers can market to their clients in each country.

The programme was changed because it was found that purely American-based case studies were not relevant to the European scene. In the States, there is no such thing as an overdraft, which in Europe is a permanent state of owing money to a bank. The American borrowers have to have term loans, whereby a given sum of money is borrowed against promissory notes for a specifically defined length of time. The overdraft is regarded by Americans as an "evergreen loan." In the U.S., there is much more *disclosure of company* finances and the banks demand cash projections, so that the men approving loans have much more to go on. This compares with greater reticence in Europe, and total secrecy in Switzerland. The result is that what might become a science in America has to be an artistic appraisal over here.

While acknowledging all these differences, Citicorp must have some kind of global uniformity in the approach to lending its funds. The same attitude to credit and to ensuring repayments is therefore engendered as much as possible in all the account officers of the 1,600 Citicorp offices in 105 different countries, especially when the world is suffering from an economic recession that makes it more difficult for so many companies to meet their commitments. Credit management is an art, but Citicorp wants all the artists to go through the same art school.

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COMPANY NOTICES

Amendment to Notice Published July 30th
AE & CI LIMITED
(Incorporated in the Republic of South Africa)

DECLARATION OF ORDINARY DIVIDEND No. 82

NOTICE IS HEREBY GIVEN that an interim dividend of 6.5 cents per share in respect of the year ending 31st December 1975 has been declared payable on 22nd September 1975 to holders of ordinary shares registered in the books of the Company at the close of business on 15th August 1975.

The dividend is declared in the currency of the Republic of South Africa.

Warrants in payment will be posted from the offices of the transfer secretaries in Johannesburg on or about 19th September 1975.

Changes of address or dividend instructions to apply to this dividend must be received not later than 5th *September* 1975.

In terms of the Republic of South Africa Income Tax Act 1962 (as amended) dividends payable to persons not ordinarily resident nor carrying on business in the Republic of South Africa or to companies not registered nor carrying on business in the Republic are subject to deduction in respect of *non-resident shareholders' tax* at the rate of 13.7025%.

The transfer books and register of members will be closed from 16th August 1975 to 30th August 1975 both days inclusive.

By Order of the Board
V. Wilson-Taylor
Secretary.

Carlton Centre,
Johannesburg.
29 July 1975.
Transfer Secretaries
Consolidated Share Registrars Limited,
62 Marshall Street,
Johannesburg, 2001.

AE & CI LIMITED

(Incorporated in the Republic of South Africa)

CORRECTION

In the Interim Statement which appeared July 30th, Note 2 should have read as follows:—

2. Capital commitments

Unexpended balances on major capital projects authorised and under construction at 30th June 1975 for the Group amounted to R170.4 million (1974—R67.6 million).

هكذا من الاصل

The Executive's World

With the Iranian rescue 'off' **Jay Palmer** reports on

Pan Am's begging bowl

Pan Am's billion dollar purchases of jumbos were meant to lower seat mile costs. But the extra capacity of the 747, seen behind a 707, its predecessor, has lowered load factors to a loss-making 45½ per cent., compounding the problems of Mr. William T. Seawell.

THE PROPOSED marriage between Pan American World Airways and the Iranian Government is now, after nearly a year of negotiations, finally off. This, at least, is the unofficial word from "informed sources" high in the Iranian Government, and Pan Am, while valiantly denying the rumours, is worried enough to issue a statement that it can survive its financal troubles on its own without going bankrupt.

Reports of Iran's growing disinterest in the Pan Am deal have been growing for some time. Last May the Iranians unexpectedly called off a Mexico City meeting to sign the deal less than 24 hours in advance. Two weeks ago they confirmed that "lower than expected oil revenues" were forcing them to review thoroughly all planned investments, including the proposed $300m. investment in Pan Am.

The excuse of lower oil revenues is a thin one at best. Apart from the fact that any drop will be made up when the pending OPEC price rise comes into effect, one could realistically expect Iran to give any really popular corporate investment priority over aid commitments. Perhaps the most ominous comment as to the way things have deteriorated came last week from Hushang Ansary, the Iranian Minister of Economic Affairs, who warned that Pan Am had never "received any firm promise."

Although it is still theoretically possible that the Shah of Iran might opt to continue, two factors suggest otherwise.

First, it has always been difficult to see exactly what Iran got out of the deal. Second, there is the otherwise inexplicable Iranian Government's refusal over the past week to deny rumours that the deal is off.

Pan Am, the U.S. flag carrier, is the free-world's largest international airline. It is also one of the most financially troubled. In the circumstances, even hints about a possible Iranian pull out must raise serious doubts about Pan Am's ability to survive as a going concern.

In the summer of 1974, before the Iranians got into the act, Pan Am was already on the verge of bankruptcy, thanks to a White House refusal to consider a subsidy plea for $10.2m. a month to cover operating losses and debt charges. It had suffered five consecutive years of operating losses and quite simply was being buried under a mountain of nearly $2bn. worth of debt, lease and pension obligations.

The blame for this crippling load of debt must be placed firmly in the lap of the airline's past chief executives. While Juan Trippe, Pan Am's founder, may well have been a visionary of low cost international air travel, he was also responsible for the carrier's most critical errors of judgment in the late 1960s.

By ordering $600m. of 747 jumbo jets and deciding on Pan Am's new $126m. terminal at Kennedy Airport, Trippe made no allowances for the eventual slump in the growth of passenger traffic. Succeeding chief executives—four since Trippe retired in 1968—have added to the airline's list of white elephants. Only William Seawell, Pan Am's latest ex-USAF boss, has moved to cut flab, but even so his decisions to eliminate routes and lay off staff may have come too late.

Summer

To make the immediate outlook even worse than ever, Pan Am's normally buoyant summer months had not produced the expected profits. To a U.S. Government, mindful of the loss of prestige that bankruptcy would entail and meeting stiff resistance to its plans to salvage something through a hurried merger, the Iranian rescue offer was a heartfelt blessing.

The Iranian's apparently offered (exact details have never been confirmed by either side) to lend Pan Am $245m. over 10 years. In addition Pan Am was to sell the Iranian Government 55 per cent. of its profitable Intercontinental Hotel subsidiary for $55m.

In exchange, Iran was to get warrants giving rights to buy up to 15 per cent. of Pan Am equity and mortgages on planes. It would also be promised technical training and service capabilities to build up its own international airline, Air Iran, and support in operating Air Iran's planned purchase of supersonic Concordes. Finally, Pan Am would give a training support programme for the Iranian Air Force purchases of F14 military fighters.

At the time, the deal was described (possibly by those perplexed by Iran's willingness to shell out $300m. on just this) as "financial wizardry."

There were problems, of course—Congress was initially unhappy over the security implications while Pan Am's creditors were slightly put out by Iran's condition that they all be paid off at 51 cents in the dollar. But Congress was placated and the creditors eventually conceded that something was better than nothing.

The mere news of Iranian involvement averted Pan Am's immediate cash crisis. The airline's consortium of 36 banks, which previously had been unhappy to lend more funds, suddenly approved a credit line of $125m. to tide the carrier over the winter months.

This 12-month credit has now all but expired and with Iranian cash injection a fast dying hope, Pan Am is now back to where it was a year ago. Despite Pan Am's recent efforts to cut costs, the airline is still forecast to make yet another loss this year. The summer months have once again failed to show an upturn and, this time, the bankers are less likely to come to the rescue.

The news last week that Pan Am had made a "profit" in the second quarter of this year is unlikely to improve its chances of borrowing more funds. The profit, after all, stemmed largely from an accounting manouevre that concentrated much of its annual total tax credits into the three months. Even so, Pan Am made a loss in the month of June and lifted its first half deficit from the 1974 level of $32m. to $55m. so far this year.

But Pan Am has been unlucky. Despite the massive $200m. plus rise in jet fuel bills since the winter 1973-74 oil embargo, Pan Am has cut costs so sharply that its all-important break-even load factor (the average point of occupancy when a flight becomes profitable) has been reduced from last year's level of 58 per cent. to around 50 per cent. It has, of course, been helped by the route swap agreement implemented with Trans World Airlines.

Even this is not enough. Pan Am's 50 : 50 business-leisure passenger split has proved especially vulnerable to the recession. The result has been a slump in traffic and forecasts that this year's average actual load factor will be a loss making 45½ per cent.

Pan Am has said that just a one point upturn in traffic should cut its loss by $20m. net, a forecast which if turned round seems to indicate an anticipated year's loss of over $100m.

The seriousness of this drain is obvious. Last March Pan Am's auditors, Coopers and Lybrand, qualified their annual report on Pan Am's ability "to maintain adequate financing." At the time this seemed an oblique reference to the Iranian deal; now it is a measure of Pan Am's desperate need to come up with alternative outside funding. Apart from yet another trip to the banks, the airline has two options—a Government subsidy or a merger.

Neither of these ideas is new. Pan Am has had a request for an annual "mail subsidy" of $194m. before the Civil Aeronautics Board for well over a year and it has also been holding merger discussions with three separate domestic airlines, TWA, American and Eastern.

But such aid is unlikely to be approved in time to do any good. While the CAB can theoretically grant such a subsidy off its own back, aid of this size would have to be authorised by Congress and congressional opposition to such a plan, led by Senator William Proxmire, remains intense.

Merger

Similarly, a merger would take time to arrange and in any case might be of doubtful immediate financial value. Forgetting for the moment that two of Pan Am's merger talks have broken down (American Airlines remains the only suitor), a merger would involve great costs in making equipment compatible enough for rationalisation. Different unions of the two carriers would seize the opportunity to drive wage rates up to the highest common denominator, adding again to immediate costs.

In fact Pan Am, if it wants to survive, will almost certainly have to go back to its banks with a begging bowl in hand. It remains to be seen whether or not the Government can push through a loan guarantee programme and how the bankers evaluate the risks of throwing good money after bad against writing off already massive lendings. Although it is difficult to see the leading American international airline being allowed to go under the airline's potential for recovery has been vividly shown up by the Iranian change of heart. In the end bankers and Government officials in this country may reach the same depressing conclusion.

A prospectus for growth

BY DOINA THOMAS

SMALL COMPANIES in large, competitive and low margin markets are always recommended by the management pundits to aim for narrow specialist sectors where price is not the essence of the contract. Printers Williams Lea duly followed this advice, jacked in a £300,000 periodical contract which accounted for 30 per cent. of its capacity, and turned its attention to service printing for the City.

That decision was really forced upon the company in 1968/9 when, in the words of group managing director Mr. Tony Williams, "we had reached a watershed in the degree of volume needed to make a profit." But it was not until 1972 that the periodical was shown the door and Williams Lea put all its faith in City printing. Then in the summer of 1973 the stock market started to slide.

Fortunately the Williams Lea [illegible] was not so narrow as to include only new issue business, its definition of City printing includes annual reports and all the legally necessary printing associated with corporate finance. As a privately-owned company the group could ride out the hopefully temporary setback in its plans. It had planned [illegible] for a three-year [illegible] while the [illegible] company's [illegible] was changed.

It is probably because the company is privately owned that its management can [illegible] implement with enthusiasm the more "advanced" management concepts rather more quickly than is normal. The fact that the company has also volunteered to be virtually a living case history for Ashridge Management College and so has access to its teaching staff must help keep it in the forefront of new ideas on management.

Where Ashridge comes into contact with the Williams Lea group is in the analysis of its long-term plans by senior students and teaching staff. Williams Lea group management, and sometimes managers from subsidiaries, are present at these sessions to listen, explain and defend their decisions. One of the latest suggestions to grow from such a session, is a minor but psychologically important modification to the long-term plan. The short-term objectives will be separated out into annual plans.

The idea behind the proposed change in presentation of the long range plan is that the minds of the senior executives would be free to consider all ways of achieving the objectives set out for the end year. The assumption is that if the annual proposed progress towards this point is set out in the same document [illegible] the ultimate objectives [illegible] it will be only too easy for executives to fall into the trap of thinking that that is the only way of reaching those objectives.

It is a small point but one that could have quite interesting repercussions and it well illustrates the company's willingness to experiment with its way of doing things. This willingness on the part of the managers to adopt novel ways was in itself vital to get the change of emphasis in Williams Lea work accepted by its employees.

Since the new market for which Williams Lea was aiming demands a high degree of responsiveness from the company—some city documentation may have to be printed, accurately, overnight—it meant that the company always had to have capacity in hand. It also meant that overtime would be irregular and often at short notice.

In order to convince their employees that they knew what they were doing, however it looked from the shop floor, the Williams Lea management decided that frank explanations were the answer. It holds regular monthly meetings with representatives from the shop floor and briefing groups are held before new projects are started or when problems occur. Questions will also be answered on an ad hoc basis. The new market has demanded a high degree of customer involvement from the Williams Lea printers (its readers are asked to check that figures add up for example) which contributes much to their feeling of involvement with the firm.

Tony Williams and his colleagues also believe firmly that small numbers are essential to harmony between management and workers. It is laid down in the company's creed that no one unit should exceed 250 people. "It really does encourage a sense of involvement and is easier to talk things over with people" says Williams.

This, together with another but unwritten article of faith that the company should only be in markets where a high degree of service and technical skill is demanded on a product that is a low cost item to the customer, has shaped the company's expansion plans. In addition to the city printing company there are a number of specialist subsidiaries such as Multi-sets which prints business form and comes second in terms of sales, and the much smaller Dolphin Press which prints adhesive labels. "Multi-sets has 125 banks as customers" says Williams, "and the future of adhesive labels could be revolutionary."

Smallness is good for managers too. They can see the immediate impact of their decisions and which they have the freedom to make because of a well planned financial control system. Openness of discussion goes upwards as well as down, subsidiary managers can argue their case with group managers. The one vital ingredient in the Williams Lea recipe for success is unwritten. It is that the managers actually like what they are doing.

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A correct decision

THE SECRETARY for industry, Mr. Eric Varley, must be congratulated on his decision to call a halt to further Government support for the motor cycle industry. The decision was a difficult one, not only because of the commitment of funds and prestige which the Government has already made to the industry, but because the contraction which is now inevitable will cause fierce resentment among the workers and trade unions affected and within the Labour Party. Although the industry is a relatively small one, employing directly about 3,000 people, yesterday's announcement marks a turning point in the Government's industrial policy; the social and political considerations which led the Government to support Meriden and other co-operatives have given way to a clear-headed appraisal of commercial viability.

Superiority

The consultants appointed by the Government to study the industry concluded that even the least ambitious of their three alternative strategies involved major uncertainties, mainly because of the "massive cost and market superiority now enjoyed by the leading Japanese competitors." Mr. Varley consulted his Industrial Development Advisory Board; their view was that none of the strategies identified by the consultants offered an adequate prospect of viability. The Board's advice was on several occasions rejected by Mr. Varley's predecessor, but this time the Minister agreed with it.

The announcement provided the Conservatives with another opportunity to attack Mr. Wedgwood Benn; the Shadow Minister, Mr. Michael Heseltine, called for a full public inquiry into the affair. If such an inquiry were held, it is unlikely that the Conservative Ministers who first committed public money to the industry would emerge with much credit. The concept that the management of Norton Villiers would breathe new life into the bankrupt BSA motor-cycle business and create an enterprise which could compete against the Japanese looked dubious from the start; most of the facts contained in the consultants' report were available in 1973 when the rescue operation was started.

Moreover, when the new owners proposed to close Meriden and the workers reacted by illegally occupying the factory, Conservative Ministers apparently discouraged the management from sending in the bailiffs to evict them; they even considered sympathetically the idea of a Government-supported co-operative at Meriden, though it was not until the change of Administration that a firm promise of public money was made. Clearly the continued existence of three factories when only two were needed reduced the chances of the industry becoming viable; Mr. Varley was being disingenuous when he claimed yesterday that the present situation had nothing whatever to do with Meriden.

There are several lessons to be drawn from the affair. The first is that companies should be extremely wary about entering into Government-backed rescue schemes in which management's freedom of action is likely to be severely limited by political interference; a sharp contraction of the business, however painful in the short run, may be preferable to the acceptance of Government support. The second is that Government aid for industry, whether directly through the Industry Act or through the National Enterprise Board, must be conditional on a rigorous examination of the commercial and managerial factors necessary to make the enterprise a success.

Credibility

The only encouraging aspect is that in this case the Government has had the courage to admit its mistake and has refused to pour good money after bad; it could well be that similar courage will be required on certain other Government-supported projects. A month ago we commented that Mr. Varley's decision on motor cycles would be a test of the Government's credibility; the decision he has taken is the right one.

The succession to General Gowon

NIGERIA'S THIRD military coup, announced to a surprised world early on Tuesday morning, has proved remarkably different from its predecessors. Reports from the country confirm the coup leader's assertions that there has been no bloodshed. There appears so far at least to have been no opposition to it from within the huge army and no civil commotion, while General Gowon, the former head of state has been guaranteed a safe return to Nigeria.

For all this Nigeria and the outside world should be grateful. Once an installed military government has become unpopular the only way of removing it seems to be by military means and in Africa this almost always spells violence. Nigeria has had more than its fair share of violence in the past and it is a good sign that its new leaders, almost all of whom fought in the civil war, have managed to avoid it.

Economy

It is obviously too early to judge fully the new government's intentions or its ability to deal with the huge problems besetting Nigeria. So far the new Head of State, Brig. Murtala Mohammed, has made two short speeches but no real statement of policy. He has said that he will announce his political programme in due course while virtually the only reference to the economy has been the assurance that foreign investors would be protected.

His principal action so far seems to have been to remove the most senior members of the former Administration, in the States as in the centre, and to give some of the reasons for the deposition of General Gowon. His tough denunciations of "graft, nepotism, ostentatious living and flagrant abuse of office" will be popular with ordinary Nigerians although some will undoubtedly wonder whether a Government led by soldiers so closely involved in the previous regime will be capable of the necessary corrective action.

There are other points too which will be popular, such as the decision to scrap the controversial 1973 census, which gave a preponderance of population to the north. This act, together with his initial appointments, will help to allay initial fears of some southerners that Brig. Mohammed might have been tempted to favour the interests of his own Moslem north, which could have revived old and bitter divisions.

But the most important question for the future will be whether Brig. Mohammed and his colleagues will be able to provide for Nigeria the sense of direction which he accused General Gowon of lacking. In the past three years Nigeria has drifted dangerously, with General Gowon unable or unwilling to take decisions on a wide range of subjects, whether on the country's political future or on the location of a third refinery.

Inefficiency

The impact of this quiescent style of government has been partly masked by the huge oil revenues and consequent economic boom. But in the past few months there has been growing public exasperation with port and traffic congestion, fuel shortages and desperate inefficiency in essential services while strikes of urban workers clearly revealed their discontent with the most vital question of all in Nigeria, the growing gap between rich and poor.

The failure of the previous regime to solve these problems was partly due to General Gowon's lack of effective political leadership and partly to the shortcomings of the power elite, both civil and military. Until the new regime publishes its programme and takes some political action it will be difficult to judge whether it will be an improvement on the old.

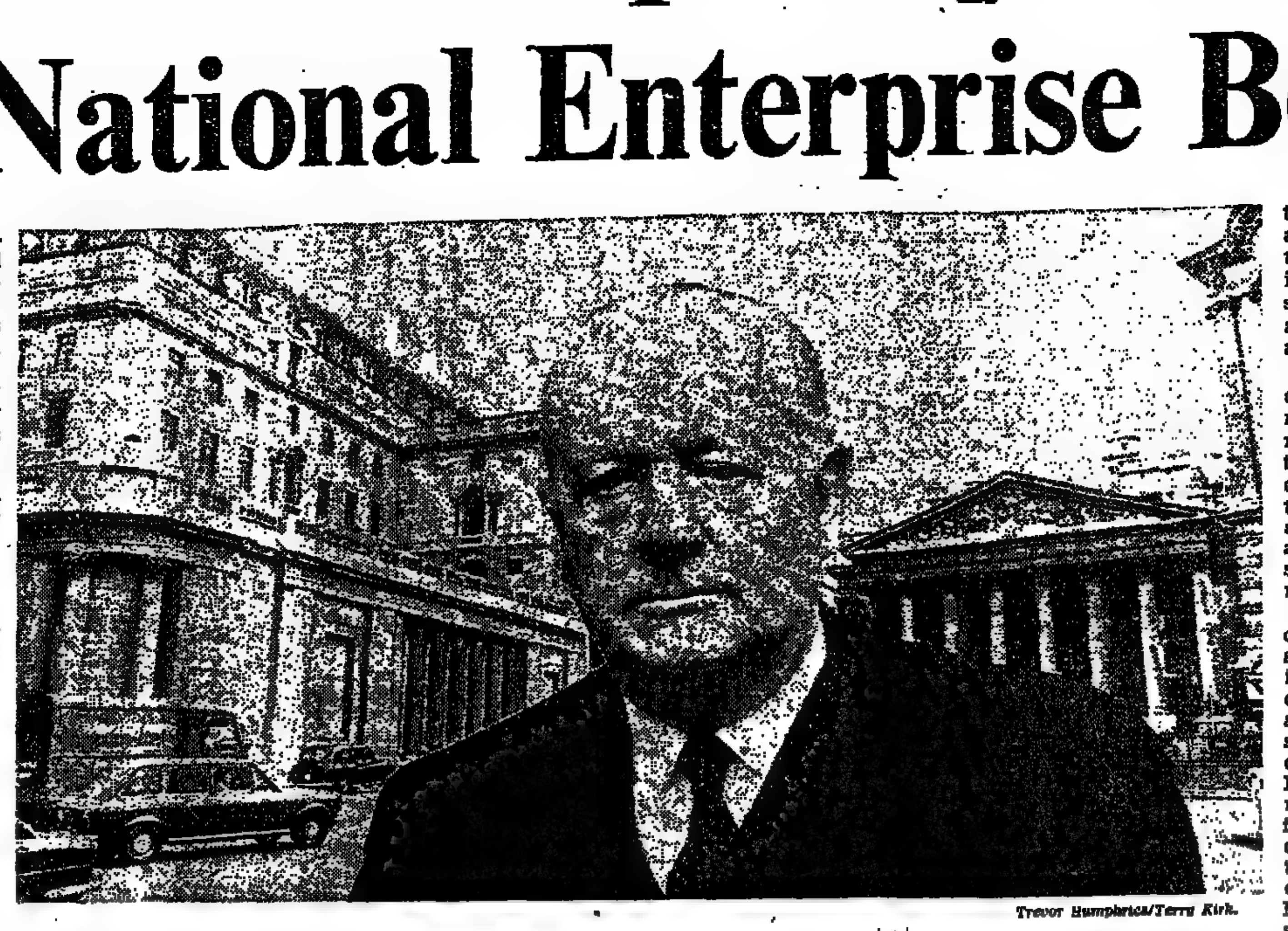
A new bank, financed by the institutions, to invest in equity shares of companies unable to raise funds on the stock market, is being mooted in the City, with Bank of England support. By **Stewart Fleming.**

A private enterprise partner to the National Enterprise Board

SENIOR City executives expect soon to be presented with a draft outline of the Bank of England's ideas on mobilising financial institutions to play a more direct role in assisting and financing industrial companies outside the existing stock market mechanism. Over the past two weeks, the Bank's efforts in this direction have gained considerable momentum, not least through the preliminary talks conducted by Sir Henry Benson, the Bank's recently appointed industrial adviser.

As the pace of discussion has quickened, so too has the controversy provoked by the initiative. It is suggested in some quarters that there is now, on both sides, a growing awareness of the problems, both of detail and of principle, to be faced if some of the ideas which Sir Henry has been raising are to be implemented.

News that Sir Henry was sounding out City opinion began to leak out just a fortnight ago. In the absence of any definitive statement of what either he or the Bank have in mind, even those close to the discussions are unwilling to be dogmatic about what may eventually be proposed. But there is fairly widespread agreement that Sir Henry is interested in the possibility of creating a new source of equity funds for companies unable to raise money on the Stock Market—hence his discussions with insurance and pension funds.



Trevor Humphries/Terry Kirk.

Sir Henry Benson, industrial adviser to the Bank of England: an ambitious new initiative.

Voting power

It is also clear that he is interested in making it easier for some companies to obtain outside advice, particularly of the type management consultants specialise in, and that he is concerned about improving the early warning arrangements already operating within the Bank (through which companies heading for financial difficulty, and their bankers, can make the authorities aware of impending problems). From the outside, at least, it is judged that these early warning procedures were inadequate, to deal, for example, with the Burmah Oil crisis at the end of 1974.

There can be no doubt that the Bank was disappointed that Sir Henry's discreet soundings gained publicity at quite so early a stage. For what it fears above all is that the talks could progress to a point at which agreement is virtually reached, and becomes public, only for the initiative to collapse. This, of course, is precisely what happened in late 1972 when the then Governor of the Bank, Lord O'Brien, attempted to muster the support of institutional investors for a new agency which would aim to use shareholders voting power to promote efficiency among inadequate industrial managements.

The loss of face which this (at that stage) fruitless exercise engendered has not been forgotten in the Bank. Indeed, there is some surprise in institutional circles that another, even more ambitious, initiative should have been launched this year.

That it is more ambitious in concept is clear from the fact that, this time, the Bank is seen to be encouraging pension funds and insurance companies to consider not merely using their influence as shareholders but also their policyholders' and pensioners' money. When Sir Henry's proposals are formulated a key feature is expected to be a suggestion for a new banking organisation which would draw some £250m. from institutional investors to be invested in the equity shares of companies unable to raise funds on the Stock Market.

What Sir Henry will undoubtedly have learned from his talks on this is that, if "a company which cannot raise money on the Stock Market" can be defined briefly as a "prospective lame duck," then long term investors, particularly some pension funds, will give a firm and unequivocal "No" to the idea of a new equity bank.

On the other hand, while some leading executives maintain that they have yet to be convinced by Sir Henry or anybody else that the Stock Market is at times failing to provide enough equity capital for some sectors of British industry, they are ready to listen to those who are convinced. A mixture of political and economic considerations has led some influential organisations in both the City and Whitehall to the conclusion that the Stock Market on its own is inadequate to meet industry's needs for equity capital.

Economic analysts point out, for example, that the recent volatility of share prices has indicated that even companies with good profit records are unable to raise equity finance for potentially profitable new projects at the precise time they need it if that time coincides with a severe depression in share prices. In 1974, the UDT and Commercial Union Assurance issues apart, rights issues for U.K. companies totalled less than £30m.

The inadequate flow of long term fixed interest debt to the company sector is another problem. It is variously attributed to the Government's "monopolisation" of this part of the market and the unwillingness of finance directors to burden their companies with heavy fixed borrowings when interest rates are high. Whatever the explanation, this situation is making many companies more dependent on nominally short term, and therefore potentially unstable, bank finance and, as a result, also making them more conscious of the necessity of having an adequate equity base.

The severity of the corporate sector's financing problems is aggravated by inflation and price controls which are adversely affecting companies' ability to finance themselves from retained earnings and making management cautious about undertaking even profitable new projects. The argument thus runs that an institutional equity bank—some see it as a private sector rival to the National Enterprise Board—while clearly not solving these problems, could at times help some profitable companies to combat them.

Balancing interests

Undoubtedly the strength of this belief has been reinforced by the political background. Investment managers, who see themselves as trying to balance the interests of their policyholders and pensioners against those of the mixed economy, are disturbed by criticisms that they are merely irresponsible buyers and sellers of share certificates.

They are aware of the validity of some criticisms of "absentee" shareholders who have failed to become sufficiently involved with the companies they own.

Of immediate political concern is the evidence that criticisms of the role of financial institutions is strengthening the hand of those (particularly Mr. Anthony Wedgwood Benn) who have made out a case for siphoning-off a proportion of the institutions' funds in order to invest them directly in industry through a Government agency. The front runner for this job at the moment is the National Enterprise Board.

The "threat" of the NEB to the private sector and particularly shareholding institutions should not however be exaggerated. Both the institutions and Lord Ryder are well aware of the dangers of their becoming locked into the sort of ideological political battle which might prevent the NEB from operating effectively even in areas or cases where they might see a community of interest. Thus Lord Ryder has already indicated that he would hope at times to be able to draw on the support of institutional shareholders and in some circumstances this support might be forthcoming.

Equally, it would be an over-simplification to assume that the NEB's attitude towards the establishment of a private sector "equity bank" would be outright opposition. A working relationship, if it can be established on the fringe of the political battlefield, would be much more desirable. It is the direction of institutional funds into the NEB by Government which is seen as a threat by the insurance and pensions industries.

While the political threats to financial institutions are readily perceived, the institutions themselves are just as worried about the implications of any measures they may take to meet them. Pension funds are already under pressure, trying to finance their rapidly inflating obligations to future pensioners from investments which are not earning a real return above the rate of wage inflation.

The investment institutions can be expected to treat any new proposals relating to their role as shareholders and trustees of private savings with caution. This caution will be that much greater if they are asked by the Bank of England and Sir Henry Benson to consider creating a private sector rival to the NEB.

Before entering into any commitment to the creation of such a body, the pension funds in particular will want to see detailed proposals and it is this aspect of the current discussions which may well further delay the development of the Bank's initiative. Pension fund managers are still smarting from what one senior executive described as the "steamroller" tactics adopted by the Governor of the Bank earlier this year. Many feel that he obtained agreement in principle from them (and the banks and the insurance companies) to subscribe up to £1bn. for Finance for Industry before vital details were settled.

Investment criteria

Thus the institutions, if they are to agree in principle to help finance a new equity bank, are likely to want to be sure of the extent to which the providers of the money will also have control of the organisation, particularly in matters of recruitment of personnel and the criteria for the selection of investments. Complex issues of the relationship with other organisations operating in similar areas will have to be considered.

Thus if Sir Henry Benson and the Bank are to risk formally floating a proposal to establish a new source of equity finance they will have to convince themselves that they have a strong chance of reaching agreement and thus overcoming the serious objections that such an organisation is not needed, that it unecessarily duplicates existing arrangements, and that it will only create a Trojan horse which will enable a future Government to invade the City.

Bearing in mind that insurance and pension fund associations cannot bind their memberships, and that pension funds or even finance directors cannot bind pension fund trustees, the difficulties facing Sir Henry and the Bank can readily be seen to be immense.

MEN AND MATTERS

Thatcher's patch

Last week's announcement that Denis Thatcher had been "elected chairman of Chipman, following his recent appointment to the Board" is not quite what it seems. Thatcher has actually been a director since 1957, and chairman since 1970. So what's new? Only that Thatcher is now an independent chairman, rather than a representative of Burmah, from which he retired at 60 as a director of the main trading subsidiary.

While Thatcher spent his last months at the oil company working in Alexander Down's reconstruction team, he had the complication of also being the Tory leader's husband, culminating in the day he hopped over a wall to avoid Press photographers and got snapped in the act. He was shown to have a fair vaulting style, but that wasn't the object of the exercise.

This turmoil is now over for him (though he retains Board jobs on the Halford and Quintin Hazell subsidiaries). But Chipman, in a smaller way, is a fascinating company. What other business making under £1m. a year has shareholders with the combined asset value of ICI, Albright and Wilson, Burmah, British Steel Corporation and the National Coal Board? Who else could reconstruct Derby County's football pitch, taking 3,000 tons of mud off in May; putting in drainage, gravel etc. to sow grass in June; giving it the first mow three weeks ago, and, so Thatcher claims, it will set new standards in turf drainage. Railway buffs will also know the Chipman trains which chug round BR in the spring spraying weedkiller to stop the track ballast getting clogged up and moving the sleepers.

The history is this. Grandfather Thatcher was a farmer who discovered sodium arsenite as a good sheep dip. Then he found it was a good weedkiller, and by 1910 he had even set up a U.S. company so that the weedkiller could be sprayed on the U.S. railroad tracks. But in World War I he had to sell the U.S. company to a Ralph Chipman, who improved the idea, and bought Safetified Sodium Chlorate back to Britain in 1929. So the Thatchers had a big, though not the biggest, shareholding in the original anti-corrosives business—hide preservatives, wood preservatives, eventually paint—running under the Atlas Preservative name, and also took a small share in Chipman's new U.K. weedkiller company.

The other big shareholders were bought in early as major suppliers of the raw materials needed—Albright and Wilson, ICI (under the Plant Protection subsidiary) and Staveley Coal and Iron, now Staveley Chemicals, in which BSC and the National Coal Board are the major shareholders. They eventually bought out the U.S. interest. The other quarter belongs to Atlas. But that is no longer a private company, since it was sold to Castrol in 1965 and Burmah bought Castrol the next year.

So although Denis Thatcher no longer represents a major shareholder, or a family stake in Chipman, the family has been involved from the start. Being market leader in industrial weedkillers is, he says, a profitable (£230,596 pre-tax last year) but not rapidly expanding business. What is more exciting is the Chipman Soil Science Unit.

The Derby County job is very much a showpiece—"Our best salesmen will be players from other clubs who tell their own managements they want a pitch as good." But, and this is as close as Thatcher the businessman gets to politics: "If heavy industry as we know it is gone in 20 years' time, replaced by technology, then people are going to have a great deal of leisure, and that means more games pitches."

"Remember the good old days when it was only 'one of those days' every other day!"

Ellerman float?

"I've got implicit faith in the Board's decisions on the matter" was the polite formula with which Lady Ellerman, widow of the multi-millionaire recluse shipowner and zoologist Sir John Ellerman yesterday turned aside questions on whether Ellerman Lines would go public. Queries on a possible future share flotation for the group, one of the largest still privately-owned companies, were prompted by the announcement at yesterday's annual meeting of a £100m. five-year investment programme, mainly in shipping. The company, which takes in haulage, travel and investment interests, has also just bid £10m. for brewers J. W. Cameron, in which there have long been Ellerman holdings.

Canadian-born Lady Ellerman will inevitably be concerned with any decision by Ellerman Lines to launch its shares publicly. She holds about a fifth of the equity, formerly one of the main items of the extensive interests in the still-undisclosed estate of her husband.

The rest of the EL equity is owned by two charitable trusts, Moorgate Trust Fund and New Moorgate Trust Fund, to which Sir John gave the other four-fifths stake in Ellerman Lines in his lifetime and of which Lady Ellerman and Dennis Martin-Jenkins, the EL chairman, are among the trustees.

Martin-Jenkins spoke yesterday of EL's flotation as something kept under consideration, but about which there was apparently no hurry. It would depend on agreement with the shareholders—Lady Ellerman and the trustees—and on the establishment of a "track record." The importance of the last point is that, while the company had a £9.1m. pre-tax profit last year and one of £5.9m. in 1973, there were losses in 1970 and 1971.

Lady Ellerman, attending her second annual meeting of EL—of which she is not a director—said of herself, unconvincingly: "I'm sure I'm not interesting at all." Though leaving EL business to the Board, she admits to concern with the charities as trustee and remarks: "My husband was not so much shy as not wanting other people to know about his business. After his death people knew how much he had done." The two charities, with yearly income of some £300,000, are specially concerned with the blind, the deaf and paralytics.

Now resident in South Africa, she lives in Cape Town, from where she sees giant tankers crossing the bay. With the dispassionate air of one happily not involved in the tanker market, she says: "I sometimes think they make them too big."

Dead simple

From a programme note at the Project Theatre, Dublin: "This play is about killing and its effect on people."

Observer

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POLITICS TO-DAY

BY DAVID WATT

The new politics of classes and interests

THE DIFFICULTY of discussing money, particularly other people's, with what Kai Lung calls "clear and unbiased insight" is well illustrated by the Press reaction to the first report of the Royal Commission on the Distribution of Income and Wealth. Comparing the headlines—"How the money rolls in for a lucky few" (*Daily Mirror*) and "The rich stay rich" (*Guardian*) as against "So elusive—the rich pips that Healey is planning to squeeze" (*Daily Express*) and "Personal riches tending to be shared more equally" (*Daily Telegraph*)—one can see how hard impartiality is to come by even in the relatively straightforward matter of reporting what the Commissioners actually said.

Little fuss

Granted this extreme sensitivity on the part of everyone—including newspaper reporters and sub-editors—the most interesting reflection suggested by the report, to my mind, is not the degree of redistribution of wealth and income that has occurred since the war, but the fact that what has happened or has failed to happen, has evoked so little political fuss. We can see now, quite clearly, that redistribution has been distinctly meagre in comparison with the egalitarian claims of two Labour Governments (the latest figure available to the Royal Commission covered 1973). The after-tax incomes of the top 1 per cent., and even of the top 10 per cent., have claimed only a trivially reduced percentage of the total of personal incomes since 1949.

Similarly, making all allowances for the very unsatisfactory nature of the statistics, the changes in the distribution of wealth during the same period, though steady, have not been swingeing by any means. Why then, have we not heard much more from Socialist politicians over the years about the broad iniquities of the system? Why has there been so little general call for faster progress until recently? And, above all, why did neither the Attlee Government nor the first Wilson Government do more to translate their own professions into reality?

Climate

On the other side of the political fence the silence has been just as marked. The figures, as I say, do not show any massive post-war shift in the balance either in incomes or wealth against the better-off. But the trend has been continuous and, one would have thought, ominous from the point of view of the propertied and salaried classes. As in the case of the Socialists, we have heard individual Conservatives complaining that they are going to have to emigrate "if things go on like this," and no doubt some have found their way to America (if they are interested in income) or a variety of tax havens (if they are interested in capital). But still, there has been no great crusade to restore the old differentials or protect the old privileges, and successive Conservative governments in the 1950s and 60s allowed the process of redistribution to proceed. It was not until 1971 that the Heath Government tried, briefly, to put the engines into reverse.

Why this strange acquiescence for so long—by the Socialists in an ultra-Fabian policy of gradualism and by Conservatives in a steady erosion of their old political and ideological base? The question is historically fascinating in itself, but it is also worth pursuing because it may help to explain the contrast between the docility of the first two-and-a-half post-war decades and the changed climate in which the Capital Transfer Tax has been passed and the Wealth Tax is being prepared.

The Conservative acceptance of the situation is, naturally, easier to understand than the Labour one. If one is fighting a rear-guard action, slow movement counts as success, while if one is attacking it is more apt to seem like failure. The narrowing of income differentials and the relative diminution of wealth throughout the 1950s and 1960s were concealed from the salariat and the middle class by the gradualness of the process itself, by the fairly steady economic growth of the period and to some extent, one suspects, by the protection of differential living standards through dissaving. Those who were seriously worried by the trend of events tended to console themselves with the thought that, politically speaking, things might be a lot worse. In order to win successive elections it was necessary for the Conservatives (a) to continue the Welfare State, (b) to improve it at the margin, and therefore (c) to maintain high rates of taxation. But so long as the elections were, in fact, won it was evident that nothing drastic was going to happen, and for this advantage it was reasonable to pay a certain modest price.

The Labour position is rather odder in retrospect; and indeed used to puzzle and frustrate many Socialist intellectuals in the post-war period. The theoretical position was, after all, quite clear. (It still is, for that matter.) Equality is desirable, to the Socialist, not for envious or dog-in-the-mangerish reasons but as a result of well-known moral and practical considerations whose pedigree can be traced back to Rousseau. In the context of Britain in the 1950s it was an attractive and plausible proposition that our society was crippled with class consciousness, that the system of inherited wealth and wide salary differentials underpinned and perpetuated this system, and that if these were removed vast resources of energy and creactivity would be released as man began to speak to man.

Too satisfied

The trouble was that the mass of Labour voters did not seem to see matters in this light, or, if they *did*, were not prepared to do much about it. They too were satisfied with the modest results of economic growth and with the advances in their relative positions which the Royal Commission chronicles in at least two of its series of statistics. (The marked difference which welfare benefits have made to the income position and pension rights make to the wealth position are perhaps the most striking statistics in the report.) Everybody seemed a bit better off, so why bother about the pace of the advance? Most Labour voters found the intellectual argument for equality too high-falutin'—if they thought about it at all—and in any case most of them seem to have made only the most general connection between their Labour vote and the sordid question of money.

This last is an important point brought out by Butler and Stokes in their *Political Change in Britain*.* Their evidence is that (up to 1970 at any rate) the overwhelming majority of voters willingly classed themselves as either middle or working class, that this class designation had much more to do with occupation and status than with salary and that it powerfully influenced voting behaviour.

A good many working-class Labour voters, according to Butler and Stokes, saw their politics in terms of good old Marxist-style class conflict; but more than half of them, in effect, felt that voting Labour, while it was good for the working class and natural for them, did not entail doing down "the other lot." In other words, to use the language of games theory, politics to them was not a zero-sum game.

The spectacle of a party political system based primarily on class habits and cultural traditions and only secondarily on economic class warfare or individual economic self-interest used to amaze observers from abroad, particularly Americans. It was also distinctly frustrating for theoreticians and ideologists of all sorts. But it had its points. The classes might not have much communication and their friction and lack of mutual comprehension certainly did much practical harm in industry and elsewhere. But at least the conflict was kept in bounds and it was possible under these circumstances for the Labour Party to exist satisfactorily as a coalition of interests formed from many walks of life and strains of thought.

Critical point

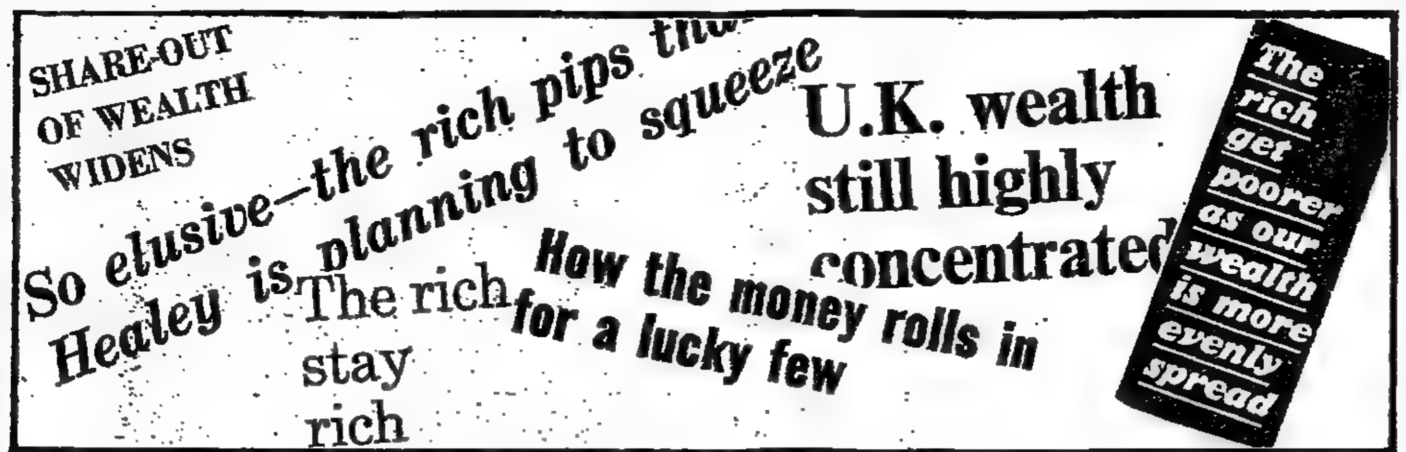
Sometime in the late 1960s the system began to crack up, and it would be interesting to know why. Inflation has obviously accelerated the process enormously but I suspect that the causes of change were much more complicated and started to work earlier than 1972 or 1973. Perhaps the erosion of differentials and status in the middle class reached a critical point, leading to more militancy and a tougher Conservative economic policy. Perhaps working-class "culture," as such, finally gave up the ghost under the influence of television and diffused education. Perhaps political institutions have played their part—for it is arguable that, by failing to hold the interest and allegiance of the voters, the major political parties have been forced into the defensive strategy of pleasing their hard-core supporters in order to survive rather than continuing to search for the centre. But whatever the reason, it looks as if we are now in a quite new era in which the politics of classes and interests is well and truly with us—the battle being the battle for scarce economic resources.

Battlefield

In such an environment, of course, the question of who gets what becomes doubly important and the statistics of the Royal Commission will henceforth be hurled about the battlefield. It is a mistake to assume that such a struggle is fatal to stability and that our policy cannot stand the strain. But it does seem to me that, if we are not to be pulled apart, the State will have to stand back from the interests and become the arbiter, and that this will probably mean the application of a consensus that undoubtedly exists in favour of more redistribution.

This goes against the grain of much contemporary Conservative thought but it is hard to envisage a free-for-all. As Blackstone, one of the greatest of English jurists, said long ago: "The original of private property is probably founded in nature . . . but certainly the modifications under which we at present find it, the method of conserving it in the present owner, and of translating it from man to man are entirely derived from society." If, as he says, the legislature of England has promoted "the grand ends of civil society" by assigning to anything capable of ownership a legal and determinate owner, those same ends may also entail some reassignment.

*Macmillan, 1969 and 1974.



The same story—different views. What happened to impartiality?

Letters to the Editor

Institutions and Boards

From the Deputy Chairman, M & G Group.

Sir,—Most institutions (and the associations which represent them) would, I think, accept the general view of their responsibilities as shareholders which is set out in your editorial of July 28. They would not, however, be equally disposed to accept your contention that they are better equipped than outside directors of companies to assess financial results and monitor executive performance.

Surely this is just what a non-executive director, in the course of discharging his responsibility to the shareholders, is expected to do. The fact that, as you record, non-executive directors have in some cases not succeeded may have been due to the difficulty of the problem or the inadequacy of the directors concerned: it cannot be taken to imply that an institutional shareholder, acting inevitably on far less information than any director can command, would do better.

If institutional investors are to assume the more active role which you suggest, the first thing they will (rightly) do is to insist on the appointment of outside directors capable of representing their interests.

E. W. I. Palamountain,
Three Quays,
Tower Hill, E.C.3.

State-owned bank

From The Director, Banking Information Service

Sir,—It is very difficult to understand the twists and turns in Gordon Tether's reasoning behind his advocacy of a State-owned clearing bank (July 29). Is it that the mere presence of such an institution is somehow or other expected to eliminate cheque card frauds, even though the guaranteed limit is raised? Or that by narrowing the margin between buying and selling rates for foreign notes, and in attempting to even out market fluctuations by hoping that overcharges to some customers will balance the undercharges to others (taking one year with another), this institution will forbear any "unreasonableness" in giving their customers the going rate in a highly competitive market?

Nor, returning to cheque cards, do I understand Mr. Tether's logic when he suggests that the banks, by *saving* themselves from increased losses on cheque card frauds, are exacting payment from the retail trading community and other customers for substantial losses incurred in other "policy excesses" (sic). What excesses? What losses? What payment? Indeed what is the connection and relevance? Or do I discern an argument for cutting risk-taking so as to be able to accept greater losses through better facilitated fraud?

No, Mr. Tether is quite wrong. The banks are not phasing out cheque cards. The numbers are actually growing, proportionately with the increased number of customers. They are also still free. But the banks have set their faces against increasing the £30 limit until losses from fraud can be reduced. And so far as their obligations to the public are concerned, even Mr. Tether has in the past admonished the banks when he thought security precautions were inadequate.

I would like to deal more fully with the nationalisation argument, especially as the projected institution appears to be conceived at the outset as one which will prove a loss-making drain on the private and corporate taxpayer, but that would extend this reply unduly. Suffice it that I make one other suggestion. Index-linking is not yet general, and it seems superficial to talk of it in terms of the cheque card limit. Could not Mr. Tether devote his abilities towards attaching this concept to something of much deeper concern? Taxation, for example?

John Hunsworth.
10, Lombard Street, E.C.3.

Cheque card limit

From Mr. S. Shore.

Sir,—I have just finished reading the extraordinary article "Banks' obligation to the public" in the Lombard column of July 29. I am not sure whether it was written as an attempt at humour, or whether it is really to be taken seriously. The heading itself is open to some argument as, while it can be said that a bank, like any other organisation or individual, has an obligation to the public in general, a bank's chief obligation is to its customers and, in particular, to its depositors.

I think we must accept that the banks' decision not to increase the £30 limit on cheque cards is made on commercial grounds on the basis that any increase in the limit would bring the figures for fraudulent use to an unacceptable level. The suggestion that banks should stop making commercial decisions and instead make their judgment purely on what is the public interest would have a catastrophic effect on their function, and the mind boggles at the thought of applying this same criteria to the granting of loans and overdrafts. A possible solution for the banks could, of course, be to make a charge for the use of a cheque card to defray the costs of misuse, but doubtless Lombard will argue that charges are not in the public interest.

The most humorous part of the article, however, is his suggestion that the State should acquire one of the banks which, in the context of the article, seems rather in the nature of taking a sledge-hammer to crack a nut. He wants the banks to act in the "public interest" and thus in a non-commercial way.

Now, of course, there are precedents for this type of activity, and it may be that Lombard has overlooked the fact that some of them have reported recently. The most prominent are the Post Office, British Rail, British Steel Corporation, and the Electricity Council. The common factor in these institutions is that they make appalling losses, and make huge demands on the taxpayer. To this motley collection Lombard now wishes to add a bank. I hope he will also tell us how such a bank would hope to attract money from depositors, particularly from foreign institutions who have a wide choice as to where they put their money.

The term "public interest" is very subjective, and can mean anything or nothing, depending upon who is doing the talking. I should have thought, however, that the overriding public interest is that the U.K. banking sector should be strong, competitive and profitable. Only in this way can we hope to attract the overseas funds on which, apparently, we are currently relying for survival.

S. F. Shore.
57 Southwark Street, S.E.1.

Managing oil reserves

From Mr. W. Whalley.

Sir,—Your survey of Iran (July 28) states that her oil reserves amount to 32 years production at 1978 rates. It seems interesting to speculate as to what future oil exports policy might be adopted.

A policy of simultaneous industrial development and exhaustion of oil reserves by export seems devoid of common sense. Is it not more reasonable to suppose that Iran will deem it in her interest to phase out exports around say 1990? Thus after 15 years more of large oil revenues, development should have reached an advanced stage. The oil still remaining in the ground would cater for Iranian internal needs until say mid-century.

Such a policy seems more sensible than aiming at becoming an oil importing country early in the next century. It does not appear that large new discoveries are anticipated in Iran, the existing fields have been known or surmised for many years past.

Should we not expect that all those oil exporting countries with large scope for development will be led by their own interests to terminate exports at a time when their present reserves are say halfway depleted? Such a policy would give them the best of both worlds, substantial development followed by long continued self-sufficiency in oil. Nigeria, Iraq, Indonesia and Mexico also seem with Iran to stand to gain by a policy of conserving reserves for their own use sometime in the not distant future.

W. C. R. Whalley.
105, High Street,
Hungerford, Berks.

Work for the work-force

From Mr. J. Bird.

Sir,—In his recent speech on the Government White Paper Mr. Heath pointed out that the need for economy in industry would compel it to shed more and more people.

How are these people to be employed? It is all very well for individual corporations to improve their efficiency by shedding under-employed workpeople but, in the national context, we are no better off if we cannot make use of them.

Improved efficiency, with improved competitiveness, may to some extent produce increased sales and take up some of these unemployed. This can only be marginal. Retraining can only be effective if there are other jobs to fill. At present there are precious few.

So it boils down to this: if we are going to benefit, as a nation, from increased efficiency there must be more industry to make use of the available work force and I believe we must look to a great extent to new industry to do this.

With industrial investment so unattractive to-day, some very substantial assistance from Government will be needed. It would be a much more constructive use of NEB funds, for instance, than bolstering up moribund companies. What is more, if the new industries were to be directed towards producing some of the manufactured goods we currently import, we could improve our balance of payments and so help solve two of our major problems at one go.

J. F. Bird,
2, Brookfield,
Westfield,
Gosforth, Newcastle-upon-Tyne.

Cyprus, Turkey and NATO

From Mr. C. Ioannides.

Sir,—I was dismayed at your comments (July 28) on the Turkish arms embargo. Why is it that the British Press consistently examines one side of the coin on this issue. Would it not be fair to say that the grave threat to NATO and the defence of the Western World arising from this embargo could just as easily be availed by the simple expedient of allowing my wretched countrymen to return to their homes? Justice would be served, suffering would be alleviated and the guns would once more flow to Turkey, if that is what they desire. It is my guess that Greece would also return to the fold in such a case.

It is very embittering for a Cypriot these days to see that the amazing stance of much of the British Press over Cyprus does not stop short of glossing over the responsibilities of the British Government but appears vehemently to attack the stance of Congress which, to the Cypriot, has been the only glimpse of humanity and hope in this sorry affair.

Equally dismaying is the fact that in all references to the embargo it is forgotten that this only commenced in February of this year, after numerous postponements to give Dr. Kissinger the opportunity of pressurising Turkey his own way. Dr. Kissinger had over six months to achieve the results which it is now claimed are being frustrated by the embargo. During that time, not *only* were his efforts fruitless but the area of occupation was actually extended.

The survival of the Cypriot nation is now a very precarious matter indeed. We are not able to defend ourselves militarily and must rely on the goodwill of larger nations. To me, the public censure of the use of force, backed up where necessary by the use of sanctions, provides the only peaceful means of keeping world peace. Cyprus is a test case and its destruction will bode ill for the cause of world stability in the years to come.

Costas C. Ioannides,
2, Saint Paul's Street,
Nicosia 109, Cyprus.

Exchange rate

From Mr. P. Baker.

Sir,—Further to Mr. Simms' letter of July 25, I wish to elaborate on my view that it is essential to stabilise the exchange rate. I agree with Samuel Brittan (July 24) that if the current payments deficit is higher than can be prudently met by overseas borrowing that the right course is to let the exchange rate depreciate. My point, however, is that it is not possible to pursue this approach indefinitely and there comes a point when the authorities must introduce policies to reduce the relative rate of U.K. inflation, and to reduce the payments deficit by traditional deflation of the domestic economy, rather than to follow what conventional wisdom suggests is the "soft" option—that is, devalue: a devaluation most certainly is not a soft option, given the inelasticity of demand for food, raw materials, and fuel.

In my view, any further devaluation of sterling would be self-defeating. The top priority must be attached to the significant reduction of inflation and of the current account deficit. The Government's incomes policy should be viewed as an essential part of the priority measures needed. To the extent, however, that the source of inflation is the Government's budget deficit, it is also essential to reduce the deficit substantially through cuts in Government expenditure (preferably), or increase in taxation. This will lead to a deeper recession and to higher unemployment but to believe that these can be avoided by a further depreciation of the currency is folly indeed.

If the authorities succeed in reducing the U.K.'s relative rate of inflation and significantly reducing the current account deficit then the exchange rate will, at worst, stabilise and preferably begin to rise, making the sterling cost of essential imports cheaper, not to mention the benefits of falling interest rates.

The major problems facing the economy obviously cannot be solved merely by exchange rate adjustments. The overriding task is to improve greatly the efficient use of resources. This will not be achieved without a fundamental change of attitude on the part of trade unions, politicians and industry to encourage the creation of profits and wealth, to encourage the entrepreneur and risk taker, to reduce taxation (in due course) on the high income earners (the top tax rate in the U.S. is 50 per cent.), to encourage savings and self-sufficiency, to reduce the proportion of GNP taken up by government and local authority expenditure and to allow the mixed economy the opportunity of functioning efficiently.

The nation faces a serious economic crisis which the politicians are at last beginning to face. Devaluation avoids the principal issues and responsible people everywhere should reject the shallow and woolly thinking of the "devaluationists." It seems to be the case that the Bank of England and the Government wish to avoid a further devaluation of sterling: this is to be applauded.

P. C. Baker.
2, Fairway Close,
West Common,
Harpenden, Herts.

Pensions and the £6 limit

From Mr. R. Wainwright, MP.

Sir,—In amplification of Mr. Michael Foot's statement to Parliament that to escape the £6 limit new or substantially revised pension schemes must have been in negotiation before July 1 this year, I would add that there are two other important new rulings.

All pension scheme arrangements actually established before July 11, this year can continue without being affected by the pay limit.

No new, or substantially improved pension schemes which fail to qualify under the above can escape the £6 limit until July 31, 1976.

The Government refused to accept a tightly drawn new clause to allow new or improved schemes to go forward without interruption, and I cannot attempt to defend the rulings Mr. Foot gave. But the various dates involved are likely to be important to some of your readers.

Richard Wainwright.
House of Commons, S.W.1.

To-day's Events

GENERAL

Third and final day of conference on security and co-operation in Europe, Helsinki.
CBI economic situation committee meets.
Sir Murray Fox, Lord Mayor of London, continues tour of Australia and New Zealand.
Hull Show opens, Kingston upon Hull.
Last day of International Fire Exhibition and Conference, Olympia.

PARLIAMENTARY BUSINESS

House of Commons: Criminal Jurisdiction Bill (Lords), remaining stages. Motions to consider Northern Ireland orders on diseases of animals and shipbuilding industry.

COMPANY MEETINGS

Arbuthnot Latham, 37, Queen Street, E.C., 12.30.
Brickhouse Dudley, Birmingham, 12.
Brown (John) and Co., 4, The Sanctuary, S.W., 12.30.
Dartmouth Investments, Birmingham, 12.
Dunbee Combex Marx, 117, Great Portland Street, W, 12.
Electronic Rentals, St. Ermins Hotel, S.W., 12.
May and Hassell, Bristol, 12.
National Carbonising, Hyde Park Hotel, S.W., 2.30.
Patent Industrial Group, Birmingham, 11.
Permali, Gloucester, 12.
Tecalemit, 20, Aldermanbury, E.C., 12.

BALLET

Royal Ballet dances Romeo and Juliet (conductor, Yuri Ahronovitch, choreographer, Kenneth MacMillan), Royal Opera House, London, 7.30 p.m.

MUSIC

Henry Wood Promenade Concerts: Sir Charles Groves conducts BBC Symphony Orchestra in Brahms, Mendelssohn and Tippett, Royal Albert Hall, London, 7.30 p.m.

SPORT

Cricket: Second Test, England v. Australia, Lords.

COMPANY NEWS + COMMENT

Prestige shows halfway profit advance

DESPITE difficult trading conditions involving some reduction in demand for products at home and overseas, Prestige Group has pushed up first half 1975 sales by £4.16m. to £20.19m. and improved profits from £1.74m. to £1.83m.

Significantly higher costs have been met wherever possible by greater efficiency and the maximum restraint has been exercised on expenditure of all kinds.

The interim dividend is held at 1.4p net. the total for 1974 was 4.26p paid from profits of £4.41m.

	Half-year 1975	1974	Year 1974
	£000	£000	£000
Sales	[illegible]	16,036	35,058
Profit before tax	1,832	1,737	4,408
Taxation	947	903	2,250
Minority	1	14	29
Pref. redmptn., etc.	16	15	31
Available Ordinary	*868	894	2,067

* No account taken of surplus or deficit arising on revaluation of overseas current assets and liabilities following changes in foreign exchange parities. Based on exchange rates at June 30, 1975, and after adjusting for tax and minority surplus of £70,000 (deficit £55,000) had arisen. Extraordinary items less tax and minority attributable for year 1974 amounted to deficit of £167,997 arising from changes in foreign exchanges parities.

The company makes domestic houseware under the Prestige, Skyline, Ewbank, O'Cedar, and Old Hall brand names. It is controlled by American Home Products Corporation.

● **comment**

Comparison between **Prestige's** interim figures and the relevant period in 1974 is inevitably distorted by the three-day week: a 5 per cent. gain however looks a good defensive performance. First-half sales improved by over a quarter—a fairly predictable outcome, given the non-cyclical, low-growth characteristics of this market—so that the containment of costs looks like the only real problem. The group's trenchant comments about restraining expenditure imply no early easing of the pressure, but at least cash *flows are unlikely to drain off into* capital account: authorised capital expenditure should fall this year from £0.55m. to £0.17m. At 123p, the yield is 5.2 per cent.

INDEX TO COMPANY HIGHLIGHTS

£0.12m. rise at Peter Black

AN EXPANSION in taxable profit from £700,006 to £913,662 is reported by **Peter Black Holdings** *for all the year to April 30, 1975*, after an improvement from £433,000 to £514,000 at halfway.

Earnings per 25p share are given at 9.12p compared with 9.63p and the dividend is stepped up from 4.396875p to 4.69p, the maximum permitted, with a final of 3.29p.

	1974-75	1973-74
	£	£
Group turnover	10,482,067	7,947,323
Profit before tax	913,662	700,006
Tax	*349,791	404,799
Net profit	564,871	295,207
Dividends	157,600	173,873

* Includes £47,000 which may prove to be irrecoverable under transitional provisions relating to ACT.

● **comment**

Peter Black has pushed up annual sales by 32 per cent.—one half due to inflation and the other to genuine volume. Profits have grown at less than half that rate, which underlines the pressure exerted on margins by higher interest charges arising out of a heavy capital expenditure programme. All the major building work has now been completed, *which should relieve the interest* burden: it also means that PB is now in a position to increase capacity by 60 per cent. without further expansion. On the trading front, the group is in the position of having only a few major companies which provide 70 per cent. of the business—Marks and Spencer alone accounts for a third. And since its products tend to be at the volume/budget end of the scale, it is felt that any further recession due to consumer economies will not be too damaging. At the moment trade is described as "satisfactory." The yield of 15½ per cent., at 30p last night, is not nearly so confident.

Forminster earns and pays more

TURNOVER of **Forminster** improved from £4.9m. to £7.3m. in the year to April 30, 1975, resulting in a 30 per cent. increase in pre-tax profit from £503,226 to £653,367. At halfway the advance *was from £217,000 to £292,000.*

Earnings for the year per 10p share are stated at 13.78p against 11.2p and the final dividend is 2.8373p gross for a 5.1975p (4.725p) total.

The directors have waived their rights to the final in respect of 1.2m. shares.

The group makes ladies' outwear clothing.

● **comment**

A 30 per cent. rise in sales has enabled **Forminster** to lift its 1974-75 pre-tax level by 30 per cent. and this compares very favourably with other recent results from the clothing sector where the general impression has been one of declining demand. Sales growth did ease in the second six months—to 38 per cent. after a 68 per cent. gain at the interim stage—but the group reckons that volume is holding up well at the moment and it anticipates a fairly substantial pick-up when its autumn season of clothes comes on the market. The fact that around two-thirds of group output goes to Littlewoods appears to be a strong point at a time when other major retailers are beginning to cut back. The group, which is looking for a similar rate of profits growth in the current year is also on the outlook for acquisitions in which to invest at least part of its strong cash resources, which must now *be in excess of £700,000.* At 46p the shares are supported by a yield of 11.8 per cent., covered more than four times.

Wallis Costumiers up 37%

AN ADVANCE in pre-tax profit of 36.78 per cent. to £691,271 is announced by Wallis and Co. (Costumiers) for the year to January 31, 1975. There was a £30,000 increase in the first half, when a year-end "improvement" was forecast, and a £156,000 expansion to £562,271 in the second six months.

Stated earnings for the year are up from 9.4p to 9.7p per 10p share. Because of the present economic uncertainties and the continuing commitment to expansion the dividend total is being held at 2.5p net, with a final of 1.3p.

The surplus arising on a directors' valuation of group's properties is £1,905,000 compared with £1,875,000 at the end of the previous year.

The planned expansion in Europe during 1974-75 commenced with the opening of boutiques at Cologne, Dusseldorf, Hamburg and Munich, within the stores of Kaufhof AG.

Since the year-end subsidiary companies have been established in Switzerland, Sweden and Denmark, and in line with policy of opening Wallis shops within major *European departmental stores*, two units have been opened with the Globus organisation, one in Zurich and another in Glatt. This month will see the opening of shops in Nordiska in Stockholm, and Magasin du Nord in Copenhagen. Since the year end, further shops have been opened with Kaufhof in Stuttgart and Frankfurt.

As a result of expansion in Europe, the value of exports including retail sales abroad during last year, rose by 430 per cent. to £448,000.

	1974-75	1973-74
	£	£
Turnover	7,126,618	5,049,989
Profit before tax	691,271	505,487
Tax	364,226	258,017
Profit after tax	327,045	247,390
Extraord. items*	71,619	—
Pref. div.	2,987	2,987
Available	252,459	244,433
Ord. div.	65,000	65,000
Retained	187,469	179,433

* Includes loss on sale of government securities £91,939, less surplus (after tax) on sale of property £30,294.

So far this year, turnover has increased substantially and the company "continues to trade *satisfactorily bearing in mind the* poor conditions experienced in the spring and early summer due to bad weather, and the diversion of much of the public spending power into consumer durables in anticipation of the budget price increases."

The directors are concentrating their efforts overseas and are taking a *more cautious* view to expansion in the U.K., although the excellent value offered by merchandise should ensure a stronger position within our market, he adds.

Almost £0.3m. by Econa

INCLUDING £30,500 from its metal price equalisation account, profits of **Econa**, sanitary engineers, came to £298,912 for the year ended March 31, 1975.

That compared with £404,201 last time, which took in £151,271 trading surplus of subsidiary sold and allowed for £44,279 transfer to metal price account.

Earnings are given as 5.92p (6.11p) per 10p share. A final dividend of 1.1203p raises the net total from 1.6104p to 1.7203p.

	1974-75	1973-74
	£	£
Sales	4,415,992	4,374,494
Profit	255,230	265,597
Interest received	57,754	1,428
Subsidiary sold	—	151,271
Interest paid	14,072	14,895
Profit before tax	298,912	404,201
Taxation	81,581	181,426
Net profit	217,331	222,775
Dividends	64,052	57,014
Retained	153,279	164,661

● **comment**

Econa's sales from retained subsidiaries have risen by 29 per cent. over 1974-75. Stripping out *a former subsidiary's* profit contribution from the 1973-74 figure, and excluding the investment income content last year, leaves an overall pre-tax decline of 3 per cent. Against the background of an exceptionally poor trading climate in the building industry, this sort of result is hardly surprising and is probably commendable. At the moment the group is in the *happy* position of being in substantial cash balances and apparently there are the first signs of a pick-up in trade. Nevertheless, the market is preferring the cautious line with the shares, at 21p, yielding over 13 per cent.

Polymark overseas expansion

IN HIS annual statement, the chairman of **Polymark**, Mr. P. Meyer, says he can see few reasons why the company should not look forward "with considerable optimism."

As Polymark has always been "in Europe," with over 50 per cent. of turnover and profits emanating from other EEC countries, the directors find U.K. membership "particularly welcome."

It is intended to continue building European and now also U.S. interests "as territorial spread may in the future be equally important to product diversification."

As reported on June 5, record results for 1974 showed group sales up 25 per cent. to £5.61m., trading profits before interest up 39 per cent. to £669,281 and pre-tax profits of £423,953 against £347,511. The dividend is the maximum permitted 1.4625p (1.37p) net.

A geographical analysis of turnover and pre-tax profits shows, U.K. £2.64m. and £0.25m.; other EEC £4.23m. and £0.24m.; and U.S. £6,000 and a loss of £16,000. Intergroup sales were £1.26m., and unrealised profit on those sales £47,000.

At the meeting at Jeddo Road, W., on August 29 at 3 p.m., a resolution will be proposed changing the company's name to Polymark International.

Midway drop in revenue at Meldrum

A decline in gross revenue of Meldrum Investment Trust from £315,716 to £291,777 is announced for the half year to June 30, 1975.

Stated earnings per 25p share are down from 0.965p to 0.85p. As known the interim dividend is being held at 0.525p net.

The market value of assets, less current liabilities, including full dollar premium, is shown to be £7.89m. (£4.64m.) at June 30, 1975. Net asset value is 39p compared with 23p.

	Half-year 1975	1974
	£	£
Gross revenue	291,777	315,716
Tax	101,423	103,653
Available	170,871	194,563
Interim dividend	103,546	105,840

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Bank Leumi U.K.	int.	2.68	Aug. 29	2.68	—	7.25
Peter Black		3.29	Oct. 10	3	4.69	4.4
Barclays Bank	int.	4.3	Oct. 1	4.02	—	8.29
A. G. Barr	int.	Nil	—	1.4	—	4.82
K. O. Boardman		0.41	—	0.41	0.81	0.81
British Sugar	int.	4.22	Oct. 7	3.96	—(a)	7.91
Frederick Cooper		0.63	Oct. 4	0.65	1.06	1.05
Daejan Hldgs.		1.79	Oct. 1	1.84	2.96	3.07
J. B. Eastwood	int.	1.05	Sept. 19	1.05	—	2.97
J. B. Eastwood		2.08	—	1.93	3.13	2.98
Econa		1.12	—	1.08	1.72	1.61
Fitch Lovell		1.96	Sept. 27	1.74	3.03	2.85
Forminster		2.86(b)	—	2.98	5.2	4.73
Lamson Industries	int.	1.18	Oct. 17	1.18	—	2.74
Monitor Holidays		0.69	—	Nil	1.04	0.35
Prestige	int.	1.4	Aug. 30	1.4	—	4.26
Wm. Ransom		1.65	—	1.71	2.95	2.18
Routledge & Kegan		2.1	Oct. 2	2.16	3.1	3.21
Stirling Knitting		0.35	Oct. 10	0.35	0.7	0.7
Viscose Devel.	int.	Nil	—	1.05	—	2.33
Wallis & Co. (Costumiers)		1.5	Oct. 10	1.5	2.5	2.5
Weber Hldgs.	int.	1.75	Oct. 1	1.75	—	7.6

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) 8.4459375p total forecast. (b) Gross throughout.

Lamson well behind at six months

SECOND QUARTER profits of Lamson Industries have fallen to £543,000, against £2.07m. in the first, to make £2.62m. at the half-way stage—a setback of £3.52m. on the comparable half of 1974.

Earnings for the half year are stated at 1.95p (4.87p) before extraordinary charges. The interim dividend is again 1.18p net but, in view of the decline in earnings, this should not be taken that the final will be held at 1.56p.

Turnover is up 17 per cent. to £62.18m. (half of which arises out of variations in exchange rates) though this conceals a sharp fall in volume. Trading profit has dropped 24 per cent. which increases to 58 per cent. in terms of profit before tax, after exceptional expenses of £750,000.

Chairman Mr. B. H. Pearce says business activity in the U.K. and Europe continues *to decline with* the result that the re-order cycle is stretched out with the end not yet in sight.

U.K. companies taken as a whole ended the period with a small trading loss, to which is added costs of factory closures and related redundancies: in all nearly £500,000. Industrial action resulted in further substantial losses.

Second quarter profits from Continental Europe are down by more than half from the first three months. The Australasian group made a "remarkable recovery" in the second quarter, bringing pre-tax profit for the half-year up to 90 per cent. of the comparative figure—however, conditions remain uncertain.

So far there is no indication of any significant change in the underlying conditions which affect the group's markets. "Under these circumstances it is inevitable there is still some overstaffing which can only be met by an upturn in incoming business or by further economy measures.

Having regard to the many different circumstances under which we trade, we will take the most appropriate steps in each case."

	Half-year 1975	1974	Year 1974
	£000	£000	£000
Turnover	*62,180	53,181	115,673
Trading profit	5,171	6,802	17,505
Depreciation	1,908	1,661	3,390
Interest payable	1,372	716	1,804
Except. expenses	†750	—	—
Other income	376	321	667
Profit before tax	*2,617	6,136	12,978
Taxation	1,277	3,046	6,486
Outside holders	184	122	321
Extraord. debits	78	38	214
Net profit	1,166	2,980	5,957

* All conversions in 1975 figures made at rates ruling at end June 1975. By using these in place of those adopted at December 31, 1974, sterling value of profit before tax is increased by £289,000 and turnover by £4.350m. Half year's figures for 1974 adjusted.

† Relates to redundancies and factory closures in the U.K. and redundancies overseas.

Lamson is controlled by Moore Corporation of Canada.

Newman Inds. sees £2m.

A pre-tax profit of £2m. for **Newman Industries**—the electric motor specialists whose shareholders on Tuesday finally approved a controversial purchase of assets from Thomas Poole and Gladstone China—in 1975 is "distinctly possible."

This forecast was made by chairman, Mr. Alan Bartlett, who said it should "allay any fears that shareholders may have about the enlarged group's trading activities or potential as a result of the recent unfortunate publicity."

The results of the poll votes taken on Tuesday were also announced. The motion to adjourn the meeting, proposed by Prudential Assurance, was defeated by 1.10m. votes to 967,015, while the motion to purchase the TPG assets was carried by 1.16m. votes to 966,805.

Commenting on the position of Mr. A. Murray, the sole Newman director to oppose the deals, Mr. Bartlett said it had not been and still was not the intention to seek Mr. Murray's resignation.

"There has been unanimous agreement this morning that each and every director will continue to use his best endeavours to promote the objectives of the company to the benefit of shareholders and employees."

A. G. Barr loss—no interim

SOFT DRINK manufacturers, A. G. Barr and Co., has incurred a first-half net loss of £386,000, against a profit of £93,000, but the directors are confident that steps taken have now returned the company to profitability.

There is no interim dividend, and any final will depend on the full year's results. Net total for the year to October 26, 1974, was 4.82p paid from a net profit of £120,000.

Turnover was £6.8m. (£5.5m.). Interest charges totalled £112,000 (£66,000). There is no tax provision (£101,000).

The directors explain the figures are the result of conditions which, in the main, have been outside their control, the particular problem being the increase in the price of sugar.

They were able to raise prices between late February and the end of April to levels which at least reflected the level of costs the Price Code currently considers "allowable."

Following the EEC Referendum result they are able *to look forward* to a "much needed" stability in the price and supply of sugar and the situation should not any longer depend on supply arrangements made by the Government.

An "encouraging" feature is that despite closures of unprofitable branches and sales route re*ductions, turnover is up 30 per* cent. for the 37 weeks to July 12.

Peterborough Motors

Adequate resources are available to meet all the commitments of **Peterborough Motors** in the immediate future, reports Mr. G. Read, chairman, in his annual review.

The hire purchase company, Capital Finance and Hire Purchase Co. has continued to boost cash flow by restricting advances so that hirer's balances have been reduced during the year with the result that money has been made available within the group to keep external borrowing at a minimum.

In addition, the success of the issue of shares in lieu of dividend "has been a great help." The directors would have considered extending this principle had not the direct advantages been withdrawn by the April Budget.

As reported on July 18 turnover expanded from £7.42m. to £8.76m. and pre-tax profit from £0.36m. to £0.44m. in the year ended March 31, 1975. Dividends are 1.83p net (1.76p). An analysis of turnover and profit shows: motor vehicles £4.75m. and £165,036, road transport £107,833 and £31,824, finance £99,436 and £41,397, agricultural and industrial equipment £3.8m. and £206,601.

In his review, Mr. Read points out that those companies engaged in the sale and service of agricultural and industrial equipment account for very nearly half of net profit. The passenger vehicle business had a "very difficult year but in spite of this managed to show a more than satisfactory return."

Barclays falls £19.8m. midway

AFTER A £10M. exceptional addition to provisions against advances, first-half 1975 profits of Barclays Bank fell by £19.8m. to £67.8m.

For the year 1974, profits were £158.1m. after £15m. additional provision.

Chairman, Mr. Anthony Tuke, says factors which led to lower profits in 1974 have again affected the business in 1975—operating profit was down *£13.4m.* These were primarily higher staff costs—including pensions—and a sluggish growth of deposits and advances in the U.K. The group is also unable to increase existing commissions and fees in the U.K. because of the Prices legislation.

Growth in advances in this *country continues to be disappointing* though Barclays has been able to increase its medium-term lending to industry, and its advances abroad through Barclays Bank International have also risen.

The latter bank continues to make its contribution to the country's invisible earnings, and *international operations provide* an increasing proportion of the total profit earned by the group, despite the general downturn in economic conditions throughout the world, the chairman states.

The half-year's operating profit includes all major subsidiaries for the six months ended March 31, 1975, and is after charging £1.9m. (£2.6m.) net *losses on investments* and £2.1m. (£1.8m.) depreciation on freeholds.

Because of the realignment of exchange rates between March 31 and June 30, a surplus of £9m. has arisen but is not included in the accounts.

Earnings for the half year are shown at 14p (21.5p) per £1 stock. *The interim dividend is lifted* from 4.02p to 4.3p net—total for 1974 was 8.2946p.

	First half 1975	1974	Year 1974
	£m.	£m.	£m.
Operating profit	77.9	90.4	170.7
Advances provision	10.0	6.0	15.0
Associates	4.8	7.0	10.8
Loan interest	3.8	3.8	7.6
Profit before tax	67.8	87.6	158.1
Taxation	38.0	43.3	78.4
Minority	1.7	2.8	6.0
Extraordinary credits*	0.7	5.2	5.8
Attributable	27.8	46.7	79.2
Dividends	8.4	7.8	16.1
Retained	19.4	38.9	63.1

* Includes profit on disposal of trade investments and subsidiaries and book surplus arising on local restructuring overseas.

See Lex

Grovebell reorganisation

The share listing of Grovebell Group (motor distribution, property and caravan dealing) was suspended yesterday at the company's request pending publication of particulars of a proposed reorganisation.

There is currently a move being made by Sonesta Investment, as a shareholder, to put a number of directors on the Grovebell Board, although this is being resisted by the Grovebell directors, headed by Sir John Roxburgh.

Sonesta is also seeking certain information on the company's affairs and wishes to have the *cost of its circularising shareholders* met by Grovebell. An extraordinary meeting is to be held on August 12.

Yesterday, Sir John endorsed his earlier recommendations regarding the Sonesta resolutions. At the same time, he endorsed his recommendation for share*holders to vote for the Grovebell* directors' resolution concerning negotiations involving acquisitions.

Daejan drops to £1m.

THE "SOMEWHAT LESS" profit foreshadowed for the **Daejan** Holdings property investment *group, turns out to be £1,010,904* pre-tax for the year to March 31, 1975, against £1,319,928 in 1973-74, after being £352,000, against £601,000 at halfway.

Stated earnings per 25p share are 1.48p against 3.95p. A final dividend of 1.7875p makes a net total of 2.96p compared with 3.0675p—the effective gross rate of 4.5p is unchanged.

	1975	1974
	£	£
Group profit before tax	1,010,904	1,319,928
Taxation	765,000	656,648
Net profit	245,904	663,280
Minority interest	6,955	19,316
Available	238,949	643,964
Dividends	402,315	400,740

Slowdown at Norton and Wright

After rising from £150,238 to £185,923 in the first half, profits of **Norton and Wright Group** finished the year to March 31, 1975, at £353,112, compared with £348,408, before tax and extraordinary items.

Stated earnings per 10p share slipped from 5.88p to 5.83p. The dividend is lifted from 3p to 3.128p net with a final of 2.128p.

The group produces and distributes fund-raising cards and schemes.

ISSUE NEWS

LEGAL & GENERAL

Some 84 per cent. of the recent Legal and General Assurance *rights has been taken up by members.* The balance has been sold in accordance with the terms of the issue.

HEADLAM SIMS

Headlam Sims and Coggins' rights issue of 500,000 Ordinary was subscribed to the extent of 84.41 per cent. The balance was taken up by underwriters.

Reed's first quarter profit setback

A "VERY DIFFICULT" start to its new financial year has been experienced by the Reed International group, with first-quarter operating profit nearly halved at £13.6m. against £26m.—U.K. contribution was down from £13.6m. to £6.6m., and overseas from £12.4m. to £7m.

After heavier interest charges, the pre-tax balance fell from £22.3m. to £8.5m. Stated earnings per £1 Ordinary dropped from 12.1p to 4.3p—earnings for the full year to March 31, 1975, were 45.4p.

Announcing the results at yesterday's annual meeting, chairman Mr. Alex Jarratt recalled the warning in his review that the factors that had changed the tempo of performance in the second half of 1974-75 were continuing to operate in the early months of the new year.

The quarterly result for Reed Paper, Reed Corporation and Reed Consolidated Industries relates to January to March, 1975, while the U.K. divisions' first-quarter relates to April to June, 1975. Bearing this in mind, reported Mr. Jarratt, sales in these respective first quarters were down by 4 per cent. in the U.K. and by 15 per cent. overseas compared with the fourth quarter of the previous year.

Falls were "particularly marked" in the major pulp and paper activities in the U.K. and Canada, and the effects of this on profit have been substantial given the high break-even point of these capital intensive businesses.

Mr. Jarratt pointed out, however, that the industry as a whole, in this country and North America, had suffered more than Reed. The impact of major de-stocking, of world recession, and of domestic inflation had, however, extended beyond this and affected sales of a wide range of group products in the U.K. and overseas.

He added that there were now "distinct signs" of improvement in all Reed Paper's markets in Canada and the U.S. and the prospect of a return to higher profit levels in the second half of this year. The parent Board had shown its confidence in the long-term strength of Reed Paper, said the chairman, by agreeing to subscribe to a rights issue which, with associated borrowings, would help to finance its development programme, benefits from which would start to accrue during the next financial year.

Similarly, in Australia where there was rapid inflation, poor market conditions, and an inadequate supply of industrial finance, Reed Consolidated Industries had recently completed a refinancing plan which would enable it to continue to run its business effectively and take full advantage of market growth when it came.

Reed Corporation of South Africa, although affected as traders in paper by the problems of high stocks and falling demand, managed to increase sales overall. Margins had been under pressure in a very competitive market, but there was reason to expect a gradual improvement here in the second half.

Mr. Jarratt began his statement by commenting on the effects of inflation. This put at risk "the benefits of sound planning, good management and well-directed investment." While welcoming the Government's aim to reduce the inflation rate to a single figure by end-1976, he shared the doubts widely expressed about the clarity of the proposals and their operational effectiveness.

But full support to the Government's measures would be given, including observance of the £6 a week maximum pay increase—although it was felt unreasonable to limit this to pay scales below £8,500—in the hope that during the next 12 months a better comprehension of the dangers of inflation would be obtained and longer-term policies established to prevent a recurrence of such an experience.

Referring later to U.K. prospects, Mr. Jarratt said this offered a "different picture" compared with overseas, and he hoped the Government would not react to calls for premature reflationary measures and abandon restraint on public expenditure.

Within Reed, attention would be paid to husbanding resources. In best extending use of resources—people, physical and finance—it was wished as part of the approach to bring in more non-executive directors.

	Three months 1975 £m.	1974 £m.
Sales	238.6	222.8
U.K. and exports	155.3	145.7
Overseas	82.8	77.1
Operating profit	13.6	26.0
U.K.	6.6	13.6
Overseas	7.0	12.4
Interest less rec.	5.1	3.7
Profit before tax	8.5	22.3
U.K. tax	1.8	5.6
Overseas tax	2.4	4.8
Net profit	4.3	11.9
Minority	0.3	1.0
Attributable	4.0	10.9

See Lex

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
‡	F.P.	—	172	155	Akroyd & Smithers	155	......	z12.5	1.7	12.1	7.6
$106	F.P.	—	£77	£75	Brazilian Invs. S.A.	£75	......	—	—	—	—
48	F.P.	11/7	58	48	Clive Discount (20p)	50	......	3.0	—	9.0	—
55	F.P.	31/8	65	55	Lawrence (Walter)	55	......	b4.5	2.7	12.6	4.5

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
‡‡	F.P.	21/8	93	89¾	Adwest Grp. 10½% Cnv. 95/2000	90	......
$100	F.P.	—	101½	99½	Barclays Bank Int 9¼% Capital Notes 1982	101½	......
£100	£10	7/11	11¼	10	Barnet Corp. 13¾% 1980	10	−½
£100	£10	7/11	12¼	10	Do. Do. 14% '84/5	10	−¾
£100	F.P.	—	100	99¼	CSR 9¾% Notes 1980	99½	......
**£99	£10	12/9	10½	9¾	Camb. Water 9% Red. Pref. 1980	10	......
£97½	£50	12/9	50¾	49⅝	City of Westminster 13% Red. St. 1981	49¾	−¼
£98½	£10	5/12	11⅛	10¼	Derby C. C. 13¼% Stk. 1982	10¼	−⅛
§£99	F.P.	29/8	100¼	99¼	East Surrey Water 9% Red. Pref. 1980	99¼	......
♣£100	Nil	—	4	½	English Properties 12% Conv. Ln. 2000/5	½pm	......
£100	F.P.	—	105½	100	EmiaFinance(U.K.)9%ConvGtdUnsLn85-90	102½	−½
£99	F.P.	31/7	112	100⅛	Folkstone Dist. Water 9% Red. Prf. 1980	100½	......
£100	£50	25/10	54¼	52	Hoechst 10% Guar. Ln. 1990	54¼	+1¼
♣£100	F.P.	21/8	107½	97	Mitchell Cotts 13% Conv. Uns. 90/5	100	−1
£99	£10	—	10½	10	Newcastle & Gate 9% Red. Prf. 1980	10	......
£99	F.P.	31/7	112¼	100⅛	N. Surrey Water 9% Red. Prf. 1980	100½	......
♣£100	F.P.	—	105	90	Property Hldgs. & Inv. 9% Conv. '90/5	90	−5
£99	F.P.	29/8	99¾	99	Sunderland Water 9% Red. Pref. 1980	99	−¼
‡‡	F.P.	—	90	77½	Turner Curzon 16% Conv. Uns. 78-80	85	......
‡‡	F.P.	29/8	101¾	98¼	Whitbread 11% Conv. 1995	99	−¼

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates †	‡	Stock	Closing Price p	+ or −
18½	Nil	—	—	Adams Foods	¼pm	......
110	F.P.	30/7	26/8	Anderson Strathclyde	105	−5
45	F.P.	20/6	8/8	Associated Engineering	46	......
25	F.P.	7/7	21/8	Barrow Hepburn	34	......
48	F.P.	7/7	10/8	BOC Intl	41	−1½
115	F.P.	21/7	1/9	Bowater	126	−2
50p	F.P.	25/7	5/9	British Steam Specialties	58	......
40	F.P.	3/7	8/8	Carless Capel	33	−1
30	F.P.	21/7	29/8	Century Oils	34	......
A$1.50	F.P.	2/7	7/8	Commercial Bank of Australia	210	+2
45	Nil	6/8	4/9	CompAir	3½pm	−½
72	F.P.	30/7	28/8	Dunbee-Combex-Marx	104	+1
25	Nil	—	—	Empire Stores	29pm	−2
65	F.P.	4/7	21/8	Ever Ready	81	......
10p	Nil	4/8	5/9	Feedex	7pm	−1
200	F.P.	4/7	7/8	Glaxo	340	−5
25p	nil	—	—	Hanson Tst.	54pm	−1
25	F.P.	21/7	11/8	Hazlewoods (Proprietary)	26	......
10p	F.P.	29/7	3/9	Headlam Sims & Coggins	12	......
20	F.P.	23/7	8/8	Kwahu	19	......
48	Nil	—	—	Law Land	¼pm	......
105	F.P.	30/7	15/8	Legal & General	106	+2
60	F.P.	18/7	21/8	London United Invs.	63	−2
25p	F.P.	23/7	20/8	Macfarlane Group	38	......
125	Nil	—	—	McCorquodale	16pm	......
210	F.P.	1/8	29/8	Metal Box	208	−3
32	Nil	—	—	Morgan Edwards	5pm	......
10p	F.P.	2/7	6/8	NSS Newsagents	46	−1
60	F.P.	9/7	8/8	Nurdin Peacock	77	......
105p	F.P.	31/7	29/8	Pegler Hattersley	109	......
$A1.50	Nil	—	—	Poseidon	60pm	−5
5p	F.P.	11/7	5/8	Premier Cons Oilfields	11½	+½
67	F.P.	24/7	19/8	Redland	70	+1
105	Nil	—	—	Renold	1½pm	−2
20	F.P.	4/7	8/8	Root Harvesters	25	−1
10	F.P.	28/7	12/9	Senior Engineering	13	......
27½	F.P.	10/7	21/8	Serck	31½	......
80p	F.P.	25/7	12/9	Siebe Gorman	107½	......
95p	F.P.	25/7	5/9	Smiths Industries	91	−4
170	Nil	8/8	3/10	Tate & Lyle	4pm	+1
65	F.P.	17/7	7/8	U.K. Optical	81	−1
50p	F.P.	21/7	15/8	Unicorn	52	......
35	Nil	—	—	Westland Aircraft	2½pm	−½
110	Nil	5/8	29/8	Wheatsheaf Distribution & T.	4pm	−2

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. z Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♣ Offered to holders of Ordinary shares as a "rights". ◉ 390 S.Afr. cents. § Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ≤ With warrants.

Stirling Knitting

AFTER A RISE from £156,000 to £166,008 at midway taxable profit of clothing manufacturers, Stirling Knitting Group, shows a £44,000 advance at £251,000 for the full year to March 31, 1975.

There was an extraordinary credit of £42,000 compared with a £125,000 debit last time.

Earnings per 20p share before extraordinary credits are given at 3.88p against 3.24p and a final dividend of 0.35p net maintains the total at 0.7p.

	1974-75 £000	1973-74 £000
Turnover	5,059	4,606
Pre-tax profit	251	207
Tax	142	116
Net profit	109	91
Extraordinary credits	42	†125

† Debits.

Warren Tea

Warren Tea Holdings expects to meet, if not exceed, its coffee crop estimate this year, and thus should be in a strong position to benefit from the recent sharp rise in the world price of coffee, Mr. Humphrey Salmon, the chairman, told the annual meeting.

Tea production in Assam had increased, but there had been a decline in North East India. Tea sales in India and Britain were up and prices were about 4p a kilogram higher but costs were also still rising despite Indian efforts to reduce inflation.

In Kenya, the tea crop, down 25 per cent. as compared with this time last year, continues to languish after two successive years of drought.

Fitch Lovell second half recovery

FOLLOWING THE first half fall from £3.8m. to £2.4m., profit before interest and exceptional items of the Fitch Lovell food group for the second half of the year to April 26, 1975, were virtually maintained at £3.9m., against £4m., to give a total of £6.3m., compared with £7.8m.

After interest charges up by some £1m. and exceptional credits of £516,000, against charges of £600,000 the year's pre-tax profit emerged at £4.67m., against £6.05m.

The balance attributable to the Ordinary was £2.7m., against £2.9m., giving stated earnings per 20p share of 5.55p compared with 5.81p.

The exceptional items comprise profit on sale of investments £472,000 (loss £45,000); profits less costs on disposal of £946,000 (loss £47,000) less development and re-organisation expenditure, including financing costs, £902,000 (£506,000). In the 1973-74 published accounts, the losses on disposals were charged direct to reserves, but have been included this time for comparison.

A final dividend, the maximum permitted, 1.9554p lifts the net total from 2.854965p to 3.0274p.

	1974-75 £000	1973-74 £000
External sales	333.751	287.639
Profit:	6.304	7.842
Manufacturing	2,535	2,034
Agency, wholesale, markets, etc.	3,496	2,568
Retail	1,360	2,222
Poultry	*763	162
Other activities	743	856
Interest charges	2,158	1,196
Except. credits	516	†600
Profit before tax	4,670	6,046
Taxation	1,984	3,197
Extra-ord. credits after Tax	7	12
Minority interests	3	3
Pref. dividends	30	30
Attributable Ordinary	2,696	2,888
Ord. dividends	1,467	1,384
Retained	1,229	1,504

* Loss. † Debits.

Commenting on the results, chairman Sir Charles Hardie recalls that in the first half there were heavy losses in the poultry business and the costs of integration of David Greig with Key Markets, and says that in both areas there has been a substantial recovery in the second half.

The poultry business made a profit and, despite continuing rising costs and pressure on margins, retail profits improved.

Main activities in manufacturing, agency and market operations have shown increases over the year, other than in the case of the wine and spirits subsidiary which had a disappointing year, particularly in the second half.

There were during the year some beneficial exceptional profits which permitted continuation of both a development programme and a reorganisation programme, involving a sum in excess of £1m.

Analyses of second half profit (before interest, etc.) shows in £000s — manufacturing £1,052 (£968), agency, etc., £1,154 (£1,485), retail £993 (£1,331); poultry £297 (loss £330); and others £406 (£556).

See Lex

Frederick Cooper downturn

PROCESSORS of gold rolled steel strip and formed sections, Frederick Cooper (Holdings) announces that from turnover of £7.6m. against £6.3m. taxable profit for the year to March 31, 1975, declined from £423,039 to £269,156 after a rise from £204,000 to £258,000 at midway.

After tax of £125,722 (£224,278) the net balance emerges down from £198,761 to £143,434.

Earnings for the year per 10p share are shown to have dropped from 3.48p to 2.51p. The final dividend is 0.65p net for a total of 1.06p compared with 1.0525p.

Leaderflush in profit

From turnover up from £463,073 to £567,983, trading profit of Leaderflush (Doors) amounted to £15,385 during the half year to June 30, 1975, compared with a loss of £37,889 in the previous comparable period.

The interim dividend per 10p share is 0.325p net (nil). The single payment for 1974 was 0.335p and there was a pre-tax loss of £33,966 during that year.

A new chairman, Mr. G. M. Simon, was appointed last month.

GEC needs exports for full loading

WITH NO appreciable upturn expected in home orders, the General Electric Company's ability to keep most of its factories fully loaded will be dependent on the continuing success in obtaining orders from abroad, states the chairman Lord Nelson.

In this respect the group's world-wide distribution network and overseas factories are of vital importance. Export markets are increasingly competitive and "there can be no respite from or weakening of our determination to improve productivity, to keep costs trimmed and to meet obligations to customers," he asserts.

Lord Nelson says it is virtually impossible to predict the future. "However, we shall do our best to maintain the company's progress and to ensure stability of employment in our factories consistent with the need to maintain our competitive position at the highest possible level."

Order books generally are at a reasonably satisfactory level, largely as a result of successful export efforts, which brought in orders in 1974-75 of £387m., a rise of £51m. over the previous year.

At home there is now some marked reduction in the rate of incoming orders, particularly for those consumer goods affected by the 25 per cent. VAT rate.

Of the £387m. export orders, Europe accounted for £90m., the Americas £57m., Australasia £23m., Asia £155m. and Africa £62m. By product they were made as to: power engineering £65m., industrial £71m., electronics, telecommunications and automation £193m., components, cables and wire £43m., consumer £15m.

In the year ended March 31, 1975, total turnover came to £1.41bn. (£1.14bn.)—equal to £6,829 (£5,664) per employee—and profit before tax was £173.94m. (£151.33m.). The net dividend is 3.03p (2.83p), as reported on July 4.

A "useful but not an exact guide" to inflation accounting shows sales £1.54bn. (£1.47bn.) and profits £125.8m. (£151.2m.).

At the year-end bank balances and deposits, less overdrafts, had decreased by £53.6m. (increase £24.6m.).

Capital expenditure totalled £78m., and March 31 authorisations came to £42m. of which £25.38m. had been contracted.

GEC owns one half of the British Aircraft Corporation and Lord Nelson says it will resist to the utmost of its ability the passage into law of the Aircraft and Shipbuilding Industries Bill.

In contrast to its previous policy it has made contributions of £25,000 to the funds of each of the Conservative and Liberal parties.

Meeting, Savoy Place, W.C., September 5 at noon.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims — Bowater Corporation, St. Andrew Trust, Scottish United Investors.

Finals—J. and J. Dyson, Hall and Earl, Jevons Cooper, London Sumatra Plantations, Lynton Holdings, Midland Trust, Mining Supplies, Property Security Investment Trust, Textured Jersey, Whatshams.

FUTURE DATES

Interims—

Winter (Thomas)	Aug. 8
Finals—	
Capital and National Trust	Aug. 19
Danks Gowerton	Aug. 18
Ellis and Everard	Aug. 11
Heron Motor	Aug. 19
Renwick Group	Aug. 12
Scottish and Universal Invests.	Aug. 12

Plantation expansion slowdown

At yesterday's annual meeting of Plantation Holdings, chairman Mr. S. W. Livesay said the continuous expansion of the past five years would not be maintained this year, although profits would be satisfactory.

In Malaysia there were signs of a resurgence in the price of rubber and also of a firmer palm oil price, he pointed out.

In the U.K., some reduction in activity was expected owing to the deepening recession, and retrenchment had already taken place in certain areas.

The long term policy remained one of expansion, Mr. Livesey continued, although current effort was still being concentrated on cash conservation and reduction of working expenses.

"This should place us in an advantageous position as and when opportunities occur and we emerge from the present economic difficulties," the chairman added.

Boardman second half setback

AFTER BEING ahead at halfway, a second half drop from £848,276 to £388,980 leaves pre-tax profit of clothing manufacturers and importers, K. O. Boardman International, down from £1.51m. to £1.08m. in the year ended March 31, 1975.

Earnings per 5p share are shown to have fallen from 3.19p to 2.02p. The dividend is kept at 0.80868p net with a final of 0.40618p.

Reporting on the current year the chairman, Mr. K. O. Boardman, says that sales to date have been at a lower level than in the corresponding period last year. Trading conditions remain difficult but he forecasts "a satisfactory result for the first half."

In the 1974/5 accounts the directors decided to make a £161,480 provision against investments in Portugal, because of the uncertain political situation there.

	1974-75 £	1973-74 £
Turnover	23,710,179	22,713,700
Trading profit	1,800,387	1,944,741
Depreciation, etc.*	724,407	436,323
Pre-tax profit	1,075,980	1,508,418
Tax	606,691	790,312
Extraordinary item	161,480	—
Minorities	22,614	21,098
Dividends	56,713	56,713

* Includes director's emoluments and interest charges.

● **comment**

Demand was beginning to look a bit thin at the half-way stage and clearly this trend has deteriorated during the last six months with Boardman's overall profits some 39 per cent. lower (after a 4 per cent. first-half gain). Retailers have been de-stocking while the call-off of orders from the engineering sector has been very poor. Currently sales are running about 10 per cent. lower but buying for the autumn and winter range of clothes will give a far better clue to recovery prospects. At this stage recovery looks very slim, which explains a 20½ per cent. yield at 6½p.

MINING NEWS

Uranium go-ahead for President Brand

BY LESLIE PARKER, MINING EDITOR

THE THEORY put forward by London stockbrokers Quilter Hilton Goodison and Co. as quoted in last Monday's Mining Notebook that the Anglo American Corporation group's President Brand gold mine could soon be reaching a decision to put its uranium plant, completed in 1971 but then mothballed, into commission has speedily been translated into fact.

It is now announced that steps are being taken to this end with a planned production date of early-1977. Moreover, it is considered that not only the original participants in the venture, President Brand and its subsidiary Free State Saaiplaas along with Welkom, could supply material for the plant but also the other OFS mines in the Anglo group, Free State Geduld, President Steyn, Western Holdings and Freddies Consolidated.

It is added that the proportions in which these companies could in fact supply material to the plant and the terms and conditions relating to supply and treatment have yet to be determined.

Price incentive

The reason for the go-ahead decision is stated to be the recent improvement in uranium prices which has allowed certain sales arrangements to be negotiated through the medium of the Government's Nuclear Fuels Corporation of South Africa (Nufcor). It is in order to fulfil these and other sales commitments that the Brand plant is to be commissioned.

It is generally reckoned that the latest going price for uranium oxide contracts is upwards of $U.S.20 a pound compared with $6 or less not so long ago. From President Brand's own viewpoint the 30 per cent. stake in Saaiplaas is considered to be a boosting factor for its long-term uranium potential. At the end of the year to last September Brand had stockpiled 841,463 tons of uranium-bearing slime with a grade of 0.14 kilograms a ton. Yesterday, in front of the uranium news, Brand were unchanged at £24. Saaiplaas were 236p.

LONDON TIN

FIGURES HAVE been issued by the London Tin group of Far Eastern producers showing the impact of the International Tin Agreement's export controls which started on April 18. The first period covers from then to June 30 and the second to September 30.

It is shown that the biggest producer Berjuntai had an initial period quota of 700 tonnes of concentrates which led to stocks at June 30 of 131 tonnes. Its current quarter quota is 862 tonnes. The respective figures for Malayan Tin are 334 tonnes, 125 tonnes and 651 tonnes and for Southern Malayan 336 tonnes, 70 tonnes and 433 tonnes.

To put the figures into perspective Berjuntai's current quarter quota represents an annual 3,448 tonnes which compares with a production of 4,315 tonnes in the year to last April. For Malayan the quota rate of 2,604 tonnes goes against an output of 3,196 tonnes in the year to June and for Southern Malayan 1,732 tonnes against 2,325 tonnes for the year to June.

At least the mines are getting some compensation for their reduced production in that the Penang tin price has now gone over $1,000 a picul for the first time since last February. The average for the year to March was $1,118. Since then the price has been down to $928.

Greenvale is doing better

THE BIG GREENVALE lateritic nickel project in Queensland of America's Freeport Minerals and Australia's *Metals Exploration* is gradually overcoming its teething troubles but still has to live with a depressed market for nickel.

While remaining a long way from reaching designed plant capacity, Greenvale's June quarter production of nickel has amounted to 406,000 lbs with an estimated value of $A10.2m. compared with 103,000 lbs worth $2.1m. in the previous three months. It is stated that after initial problems the nickel oxide produced is now meeting sales contract specifications.

Meanwhile, Metals Exploration continues to live off a steady flow of earnings from its small, but high grade, Nepean nickel mine in Western Australia. The latter has produced 611 tonnes of nickel in concentrate during the past three months with a net value of $678,000 compared with $672,000 in the March quarter.

Metals Exploration adds that its 40 per cent.-owned gold prospect in the Philippines could be viable at an annual ore milling rate of a modest 200,000 tonnes. Assays show a good 14.3 grams (9.2 dwts) gold per tonne over a width of 9 metres (29 feet). An updated statement of ore reserves is to be issued when the current drilling programme is completed. Metals Exploration were unchanged at a year's low of 30p in London yesterday.

ROUND-UP

In the year to March, tin producer Sungei Besi, a member of the Charter Consolidated group, made a net profit of £712,000 compared with £566,000 for 1973-74. Dividends, as previously announced, are raised from 5.5p to 5.9975p. Earnings per share of 20.86p compare with 16.59p. The annual report is due on August 11. The shares were unchanged at 60p yesterday.

Full production at Botswana RST's Selebi-Pikwe nickel-copper operation should be resumed within a fortnight following the strike over a wage dispute, a spokesman for the mining company said. The situation was reported to be quiet and recruiting began with several hundred men gathering at the plant gates requesting re-employment. Botswana RST shares eased further to 36p yesterday.

Six workers died and one was still missing following a pressure burst at the East Rand Proprietary gold mine in South Africa on *Wednesday afternoon*. Two other men were sent to hospital. The burst occurred at the south-west vertical shaft.

The Gold Fields group's Associated Minerals Consolidated, the Australian beach sand mineral producer, made a profit of $4.99m. in the year to June compared with $2.48m. in 1973-74. Sales revenue was 38.9 per cent. up as a result of higher world market prices for zircon and rutile. Dividends have been raised from 23 cents to 38 cents with a final of 18 cents and a bonus of 8 cents.

The Gold Fields group's Tasmanian tin producer Renison has also lifted its year's profit from $2.74m. to $3.99m. as a result of a higher tin price although that price declined consistently after its May, 1974, peak. A final 15 cents dividend makes a total of 30 cents against an equivalent 25 cents for 1973-74.

The Anglo American group's Canadian offshoot, Hudson Bay Mining reports first-half earnings down from $24.7m., or $2.49 a share, to $14.8m. or $1.48. Base-metal profits were depressed by escalating operating costs and higher taxes as well as by continuing weak demand for metals both domestically and abroad. Zinc production was reduced at mid-year and lagging sales forced an increase in refined product inventories.

Shortfall at Bank Leumi U.K.

THE DIRECTORS of Bank Leumi (U.K.) report that unaudited interim results for the six months ended June 30, 1975, although "reasonably satisfactory," showed some deterioration on the comparable figure for the first half of 1974.

There has been growth in deposits and in transactions connected with Anglo-Israel trade, but earnings have been affected by the fall in interest rates and the expenses incurred in the opening of the West End Office, they explain.

The net interim dividend is again 2.68p per £1 share. Total for the year to 1974 was 7.292p.

Bulmer and Lumb

At the annual meeting of Bulmer & Lumb (Holdings), the chairman, Mr. G. M. Warry, said that so far in the current year there had been little change in the general difficult situation in the textile industry.

"However," he added, "it is true to say that things could have been worse. It is thought that the world textile recession has begun to lift, with firmer prices ruling for raw materials. We are told that the U.S. are emerging from their recession and that the Japanese are now more optimistic about the future. All this should lead to a welcome recovery in exports which, directly and indirectly, form a large proportion of our sales."

While it was still difficult to make any predictions, Mr. Warry thought the directors would be disappointed "if we did not see some overall improvement by the first quarter of 1976, if not in the autumn of this year."

Property Growth

The 1975 reports of the various funds managed by Property Growth Assurance have appeared, covering the year to March 23, 1975.

Mr. E. W. Phillips, the chairman, said in his statement that the past year had been difficult, but the group was still confident about the long-term future. The main fund—the Property Growth Fund—amounts to £22.2m. with an average net yield of 8.02 per cent. on the underlying properties.

Most of the properties in the portfolio are still of an easily disposable size—under £½m. and offices and shops are the major investment category (48.6 per cent.). The year-ends of the funds have been brought into line which makes comparisons with last year difficult.

Eastwood £0.5m. loss but current turnround

ALTHOUGH EARNING a profit in the second half, farmers and builders J. B. Eastwood has not met its forecast of at least recouping the £1.37m. loss sustained at halfway.

In the event, there is a loss of £543,606 for the year ended March 28, 1975, compared with a *profit of £6m.* the year before.

For the current year, however, management accounts indicate "satisfactory profits." It is more difficult than ever to forecast, but the directors do consider that the situation warrants the re-instatement of the interim dividend which was not paid at the usual time.

They have declared an unchanged 1.05p net, and also recommend a final of 2.07595p for a year's total of 3.12595p, compared with 2.97625p.

Current year profits have been achieved because of increasing efficiency in operation, by benefits of the expansion programme, including turkeys, coupled with a return to more realistic sales prices except for eggs (which, however, are now improving).

Cash turnover in Eastwood Thompson is back to the 1974 levels.

Loss per share for 1974-75 was 1.16p (earnings 14.25p) basic and 1.10p (12.33p) fully diluted.

	1974-75 £	1973-74 £
Sales	96,329,000	106,175,609
Profit	1,338,241	7,331,958
Interest paid	1,881,847	1,298,876
Loss before tax	543,606	*6,033,082
Tax credit	180,759	†3,101,333
Net loss	362,847	*2,931,749

* Profit. † Charge.

See Lex

Stern Group scheme

There were good prospects of persuading secured creditors of 14 companies in the Stern Group to assent to a proposed scheme of arrangement, the High Court heard yesterday.

Mr. Justice Templeman adjourned indefinitely petitions by the 14 companies to sanction the scheme. This is to enable amendments to be formulated which will satisfy the secured creditors and at the same time not prejudice the 51 companies in respect of which the scheme has already been sanctioned.

The judge indicated he would sit during the two-month summer law vacation if the matter could be resolved.

Since the earlier hearing it had been possible to obtain conditional assents from the secured creditors which were not inconsistent with the basic objectives of the scheme. It remained to formulate in detail the necessary amendments, said Counsel.

Monitor beats its forecast

AGAINST the May last forecast of £64,000, Monitor Holidays turns in a net profit, after tax and extraordinary debits, of £119,510 for the year to January 31, 1975, compared with the previous year's net loss of £187,000.

Earnings per 10p share are shown at 1.47p (loss 2.62p). And a final dividend of 0.69p makes a total of 1.04p, compared with the previous single payment of 0.35p.

The extraordinary debits were down to £98,465 (£424,118) and comprised £80,390 relating to cancellation of overseas hotel management contract and £43,226 provision for losses on currency exchange borrowings, less £25,151 surplus on debenture stock cancellation.

	1974-75 £	1973-74 £
Gross revenue	4,715,791	[illegible]
Profit	427,992	[illegible]
Tax	215,617	[illegible]
Net profit	212,375	[illegible]
Extraord. debits	[illegible]	424,118
Balance	[illegible]	*[illegible]
Dividends	[illegible]	[illegible]
Retained	[illegible]	†[illegible]

* Loss. † Deficit.

Metropole improves by £87,931

PROFITS for the year ended March 31, 1975, of Metropole Industries, which is engaged in engineering and associated trades, advanced by £87,931, from £125,148 to £213,079, before tax of £121,817, against £63,908.

Stated earnings are 5.4p per 10p share (nil). Again there is no dividend—the last payment was the 7½ per cent. gross interim in 1969.

Turnover increased from £2.17m. to £2.64m. After extraordinary items and minorities of £11,842 (£7,267 credit), the attributable profit amounted to £109,975, against £93,175.

Corporation tax losses of about £150,000 are available to be carried forward at March 31, 1975, by certain group companies.

ABERDEEN

The Aberdeen Construction Group extraordinary meeting approved the sale of the mechanical and electrical companies J. T. L. Parkinson and J. T. L. Parkinson-Twaddle.

Bosch forecasts drop in profit and domestic sales

BY GUY HAWTIN

FRANKFURT, July 31.

THE BOSCH group, one of the world's leading suppliers of electrical components to the motor industry, is expecting a decline in both earnings and home turnover this year. Herr Hans Merkle, the chief executive said that domestic sales were likely to decline by about 5 per cent.

Profits, he said, were being hit by world-wide cost inflation and were unlikely to reach 1974 levels. Indeed, Bosch group profits have been slowly shrinking since 1973. Last year's group profit after tax totalled Dm.89.9m. compared with Dm.110.5m. the previous year.

Since the end of 1973 there has been a steady decline in the group's labour force as a result of the economic situation. At the beginning of 1974 Bosch's world-wide payroll totalled 116,700 workers, but by the end of the year this had declined by about 6,500 to 110,200.

During the first half of 1975, the workforce of the German operations fell by a further 5,300 to 69,200 employees of which some 56,000 worked for the parent company, Robert Bosch. At the end of June, the group's overseas operations had about 35,500 workers on their books.

Short-time working during 1974 resulted in a loss of some 4 per cent. of total working hours and up to the end of the year this had cost the concern some DM30.5m. It could not be ruled out that there would be no further attrition on the employment front in the second half of the current year and the workforce could well be trimmed by a further 2 per cent.

World turnover of the Bosch group last year rose by 9.5 per cent. from 1973's DM6.46bn. to DM7.06bn. Home turnover in 1974 rose by some 8.4 per cent. compared with the previous year, but some 5 per cent of the growth was attributable to price increases, Herr Merkle said.

The proportion of turnover derived from the motor equipment sector dipped by 2 per cent. from 1973's 57 per cent. to 55 per cent. during the course of last year. In the electronic, electro-motor and thermal consumer goods sector the proportion rose last year from 20 per cent. to 21 per cent. But during the first half of 1975 this sector has been hard hit by a fall in demand of around 10 per cent., said Herr Merkle. However, this year it was expected that in the industrial equipment, packing machinery and television equipment sectors turnover would be well up on 1974's performance.

Turnover of the parent company, Robert Bosch, last year rose from the previous year's DM3.45bn. to DM4.31bn. However, some DM582m. of this increase in turnover was a result of the integration of a subsidiary's figures with those of the parent.

Not included in the figures are concerns in which the Bosch group has a 50 per cent or less interest. These contribute to Bosch a turnover of some DM1bn. They include Bosch-Siemens Hausgeraete of Stuttgart. In 1974 this company's turnover went up by 6.2 per cent. from DM1.79bn. to DM1.9bn.

While group profits were down, there was an even sharper decline in the parent's earnings. Robert Bosch profits after tax totalled some DM55m. in 1974 compared with DM70m. the previous year. Of this some DM25m. went to reserves, against DM40m. the year before, and these now stand at DM195m. Distributed earnings totalled an unchanged DM30m.

Investment last year declined from DM406m. in 1973 to DM334m. Of this some DM129m. was invested abroad, compared with DM125m. the year before. During the current year capital investment is expected to decline still further to DM280m., while it should rise again to DM335m. in 1976.

Siemens lowers sales forecast

BY GUY HAWTIN

FRANKFURT, July 31.

SIEMENS, West Germany's largest electronics concern and the nation's biggest employer, reports that in the first nine months of the current business year, incoming orders stand 9 per cent. above the previous business year's level at DM16.4bn.

But despite this, the recession is beginning to bite. The concern states in an interim report that export orders have been stagnating as most industrial countries move deeper into recession. At the same time, orders flowing into the concern's overseas operations have shown only a 6 per cent. growth rate.

In West Germany, however, where generally demand has been weakening, incoming orders are still ahead of the previous year's level. Over the first three-quarters of the business year incoming orders have grown at the rate of 12 per cent. It remains to be seen whether the level of orders will be maintained, says the report.

Net profit in the period under review totalled DM349m. and Siemens is forecasting that for the 1974-75 business year incoming orders will reach DM21bn. Turnover is expected to total DM18bn. compared with DM17.2bn. in the 1973-74 business year. This, however, is some DM1bn. lower than the DM19bn. turnover which was being forecast in February this year as the year's turnover figure.

Turnover in the first nine months rose by 9 per cent. compared with the same period of the previous year from DM12bn. to DM13.1bn. Domestic turnover at DM6.8bn. was only some 3 per cent. ahead of the DM6.6bn. recorded in the first three quarters of the last business year. Growth was attributable to price rises and in volume terms there was a decline in output. Turnover generated overseas went up by 16 per cent. from DM5.4bn. to DM6.3bn.

German-based operations produced a total turnover of DM10.1bn., some 9 per cent. more than the DM9.3bn. recorded in the same period of the previous year, while exports from West Germany rose by 22 per cent. Siemens order book by the end of the period to June 30, stood at DM18.7bn.—some 19 per cent. higher than on the same date in 1974. For this reason, comments the concern, the employment situation in the group has not greatly worsened.

But in individual sectors, including the construction unit area and a series production plant, output has been cut back by between 55 and 60 per cent. Short-time working is bound to continue in individual sectors, says the concern.

The group payroll in the first nine months declined by an overall 3 per cent. compared with the previous year to some 299,000 employees. The workforce of the home-based operations fell by 5 per cent. from 221,000 to 209,000, while the workforce overseas rose by 2 per cent. from 88,000 to 90,000.

Investment went according to plan and the concern in the first three quarters of the current year spent some DM819m. on rationalisation and modernisation.

Knorr-Bremse sales up

BY GUY HAWTIN

FRANKFURT, July 31.

KNORR-BREMSE, the Munich-based manufacturer, has reported an increase in external turnover from DM464.6m. to DM606.5m. for 1974. The share of exports in total turnover rose from 1973's 37 per cent. to 43 per cent.

Including inter-group trading, internal turnover went up from DM64.2m. in 1973 to DM840.8m. The group states that the turnover increases were the result of strong demand in 1973 and 1974, strong rationalisation measures and price increases.

While the concern does not say so directly—as a limited partnership its disclosure obligations are not heavy—the concern implies that the current year should be reasonably successful after taking the current economic climate into account. The full order book and "prevailing developments" in the current year provide the basis for full employment in 1975, said its report.

The order book, which at the end of the 1973 business year stood at DM284m., had risen to DM404m. by the end of 1974. An important role in this was played by the diesel motor and brake system sectors, says the Knorr report. At the end of last year the order book was sufficient to keep the concern in full employment for about eight months.

Capital investment in 1974 rose from the previous year's level of DM18.4m. to DM28.1m. Depreciation declined slightly from DM18.4m. to DM18.1m. The labour force in West Germany rose from 7,342 to 7,486 while the number of employees abroad remained virtually unchanged at 1,583.

Dresdner's profit gains

By Nicholas Colchester

BONN, July 31.

WEST GERMANY'S big banks are continuing their remarkable run of profit improvement while the rest of German industry struggles through the recession. This is suggested by to-day's interim results from the Dresdner Bank, West Germany's second largest all-service bank, which shows that Dresdner's pure banking profit was up by 20 per cent. to DM620.4m. in the first half and that its service profits rose by 19 per cent. to DM197m.

Against these two flows of income, Dresdner had personnel costs which were up by 7.5 per cent. to DM388m. and material costs which rose nine per cent. to DM146m. The management says that its overall result for the first half showed a "noticeable" increase in profit, but that the outlook for the current year depends on the extent to which the economy can be stimulated in coming months, and losses resulting from the recession's effects on industry avoided.

This recession is mirrored in the bank's balance sheet total which has fallen marginally from its level on June 30, 1974 to DM49.7bn. The total volume of credit rose almost imperceptibly to DM30.8bn. The most notable feature of the balance sheet is the 10 per cent. increase in savings deposits to DM10.7bn.

To-day's announcement from Dresdner follows one from the Commerzbank earlier this week which revealed that interest earnings had risen by 11.3 per cent. in the first half to DM590.5m.

KLM cuts first quarter loss

By Friso Endt

ROTTERDAM, July 31.

KLM ROYAL Dutch Airlines reduced its net loss in the first quarter ended June 30 to Fls.21.7m. This compares with a loss of Fls.32.8m. in the same period last year. But executive Board chairman Sergio Orlandini said the improvement in the result was insufficient.

Due to the poor economic climate, he told the annual meeting, it will be difficult to achieve the aim of balanced operating results for 1975-76 after the net loss of Fls.65m. in the year ended March 31.

The disappointing development in its traffic figures has forced KLM to take a hard look at its production scheme. It has now decided to cut production by 4 per cent. between April, 1975 and April, 1976. This means, that the workforce of 17,000 will have to be reduced by 500 to 16,500.

Lay-offs will not occur but the decrease will be achieved by a halt in recruitment, while existing vacancies will not be filled.

The management also said, that under pressure from the U.S., KLM has been forced to cut the frequency of its Transatlantic flights.

Dynamit Nobel profit rises

TROISDORF, July 31.

DYNAMIT NOBEL, the chemical, plastics and explosives manufacturer, discloses that its net profits rose to DM4.06m. in 1974 from DM2.58m. in the previous year. Gross sales to third parties totalled DM2.16bn., up from DM1.73bn. The proportion of exports by the Flick Group subsidiary rose to 32.4 per cent. of total sales from 28.6 per cent., Dr. Werner Kneip, Management Board Chairman, told a press conference.

Dr. Kneip noted that the economic climate has deteriorated sharply since late last year and said that Dynamit Nobel sales in the 1975 first half were down 24 per cent. from the same period last year, with foreign turnover dipping slightly less than domestic sales. He said that the company is still operating at a small overall profit, though the plastic and chemical fibres divisions are in the red.

He said he expected the fibres business to become profitable in the second half because customers' inventories have been run down, but he did not foresee a return to profit for plastics this year. The explosives business has been largely unaffected by the general economic deterioration, he said.

AP-DJ

ABN still talking to Mees en Hope

By Friso Endt

ROTTERDAM, July 31.

NEGOTIATIONS BETWEEN Algemene Bank Nederland (ABN) and the Mees en Hope group which began last week-end and which were publicly announced last Tuesday are continuing.

But on the Amsterdam Bourse it is expected to take a few weeks before a firm bid by ABN for Mees en Hope is made public.

Last Friday dealings in both ABN and Mees en Hope were suspended but after Tuesday's official statement on the proposed merger, trading was resumed. ABN shares fell from Fl.340 to Fl.330, while Mees en Hope which closed last Friday at Fl.154 was set at an unofficial rate on Wednesday of Fl.160. To-day, Mees en Hope climbed to Fl.174 while ABN held at Fl.331 in generally cautious trading.

Finnish $20m. Eurobond

FINANCIAL TIMES REPORTER

ACCORDING TO the EEC Banking Federation, Eurobond issues reached a total of $1.65bn. (or equivalent) during the second quarter, Reuter reports from Brussels. This figure, the highest since 1972, compares with $1.1bn. during the first quarter of this year.

A $20m. Eurobond issue for the Finnish Export Credit under Finnish state guarantee was announced yesterday. The issue will be for five years. Coupon and pricing are expected to produce a yield of 9¾ per cent. Lead manager is First Boston (Europe).

Two other recent dollar issues have now been priced, the Australian Resources Development Bank's $30m. at 99½ on a coupon of 9¾ and the Empresa Nacional de Petroleo's $25m. floating rate issue at par.

SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	99½	100½
Ashland 8pc 1987	90½	91½
Austraswiss 8pc 1987	90	91
BFCE 9pc 1989	98	99
Borregaard 8½pc 1989	93	94
Carrier 8pc 1987	90	91
Canoco 8pc 1986	96	97
Consol. Foods 7½pc 1991	84	85
Cutler Hammer 8pc 1987	90	91
EIB 9½pc 1985	100½	101½
Esso 8pc 1986 Nov.	95½	96½
General Cable 8½pc 1987	88½	89½
General Motors 8½pc 1986	102	103
GTE 8½pc 1986	97½	98½
ICI 7½pc 1992	78	80
Nat. Grindlays 7½pc 1987	77	78
Pacific Light 8pc 1985	90½	91½
Prov. of Quebec 7½pc 1986	87	88
Quebec Hydro 8½pc 1989	96	97
Queensland 8½pc 1987	98	99
Scanraff 8½pc 1989	96½	97½
Shell 8pc 1986	97½	98½
Stand. Oil (Inc.) 8½pc '88	99½	100½
Tenneco 7½pc 1987	87	88
Transocean 8pc 1986	97	98
TRW 8½pc 1986	96	97
Utah 8pc 1987	92	93
Volvo 9½pc 1985	99½	100½
NOTES		
Air France 9pc 1982	101	102
Australia Ind. 10½pc 1981	102	103
Barclays 7½pc 1978	97	98
Cie Natl. Rhone 10pc 1982	102	103
Du Pont 7½pc 1978	100	101
Esso 7½pc 1978	100	101
General Motors 8½pc 1976	100½	101½
Marubeni 9½pc 1982	99	100
Nippon Fudosan 10½pc 1981	102	103
Skandinaviska E. 10½pc '81	103½	104½
Tenneco 7½pc 1978	98	99
Tokyo Curacao 10½pc 1981	102	103

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	87	89
Ashland 5pc 1988	78	80
Beatrice Foods 4¼pc 1992	93	95
Beatrice Foods 4½pc 1992	93	95
Borden 5pc 1992	88	90
Broadway Hale 4½pc 1987	75	77
Canon Camera 7½pc 1989	90	92
Carnation 4pc 1987	88	90
Chevron 5pc 1988	98	100
Dart 4¾pc 1987	86	88
Eastman Kodak 4½pc 1988	113	115
Economic Labs. 4½pc 1987	85	87
Eidal 7½pc 1989	93	95
Ford 6pc 1986	86	88
Ford 5pc 1988	73	75
Fuji 6½pc 1985	109	
General Electric 4¼pc 1987	84	86
Gillette 4¾pc 1987	77	79
Gould 5pc 1987	80	82
Halliburton 4¼pc 1987	129	131
Harris 5pc 1992	66	68
Hitachi 6½pc 1984	109	
Honeywell 6pc 1986	78	80
ITT 4½pc 1987	65	79
Komatsu 7½pc 1990	105	107
J. Ray McDermott 4½pc '87	145	147
Mitsui 6½pc 1989	141	
J. P. Morgan 4½pc 1987	115	117
Motorola 4½pc 1982	120	125
Owens Illinois 4½pc 1987	88	90
J. C. Penney 4½pc 1987	52	54
Pioneer 6½pc 1989	129	173
Rand Selection 6½pc 1986	95	
Rank 4½pc 1991	42	44
Revlon 4¾pc 1987	97	99
Sperry Rand 4¼pc 1987	96	98
Squibb 4½pc 1987	96	98
Toshiba 6½pc 1990	100½	101½
Union Carbide 4½pc 1982	104	106
Warner Lambert 4½pc 1987	84	86
Warner Lambert 4½pc 1988	79	80
Xerox 5pc 1988	74½	76½

Source: Kidder Peabody Securities.

BHP presses for another steel price increase

BY KENNETH RANDALL

CANBERRA, July 31.

THE MANAGING director of the Broken Hill Proprietary Company, Mr. J. C. McNeill, said to-day that the company was preparing another application for the Prices Justification Tribunal following its 10.5 per cent. approval for steel price rises, announced yesterday.

In the first reaction from the company to yesterday's determination, Mr. McNeill threw strong doubts on whether BHP's capital expansion programme, valued at $A1.2bn., would go ahead. The company argued before the Tribunal that its profitability in steel-making required a minimum 14 per cent. price rise to make the expansion programme viable.

Mr. McNeill said, however, that BHP realistically needed a price increase of 17 per cent. before its capital programme was viable, and that it was already working on a new submission to the Prices Justification Tribunal.

He said that "some" capital expansion would be going ahead, anyway, provided that BHP could raise the finance, but the overall plans would be re-examined in the light of the budget, to be presented on August 19, as well as the Prices Tribunal determination.

The first major repercussion from BHP's prices bearing on profitability, as against cost increases, came to-day from Comalco, the CRA subsidiary. Comalco is claiming a price rise for aluminium ingots of 6.6 per cent., based partly on increased cost of production and partly on profitability, which appears from the BHP case to have been established as a new ground for claiming higher prices.

Lend Lease assets up, profits down

FINANCIAL TIMES REPORTER

LEND LEASE, Australia's largest property company, reports as forecast a drop in its audited trading profit from $A21.3m. to $A17.5m. for the year to June 30, 1975, but reveals an increase in total net assets from $A58.1m. to $A63.7m. and an increase in asset banking from $A1.42 to $A1.54 per share. Borrowings were reduced from 19 per cent. to 17 per cent. of total assets.

A same again 12½ per cent. final dividend is being recommended. Turnover was $A204.5m., compared with $A172.4m. last time. After tax profit was $A8.5m. ($A10.5m.).

The statement says: "the directors have decided not to adopt 'tax effect' accounting which would have increased the after tax profit for the year by $A509,000," adding: "it is anticipated that the current level of profitability will be maintained in 1975-76."

A sector breakdown of profits shows that property investment has increased its share from 43.6 per cent. to 56.9 per cent., while property development has dropped from 20.9 per cent. to 7.2 per cent. Other sectors were: construction 20.2 (1974: 17.8); industrial 10.6 (12.9) and sundry 5.1 (4.8).

Says the statement: "in view of the current state of the property market, particular attention has been paid to ensure that a conservative approach has been adopted as regards the book value of the land and buildings component of trading assets."

Australian exchanges tighten up listing requirements

MELBOURNE, July 31.

THE AUSTRALIAN Associated Stock Exchanges have announced a number of major changes to listing requirements for public companies, effective immediately.

In half-yearly reports, companies must give profit, turnover and gross income in monetary amounts, rather than merely shewing percentage movements compared with the previous corresponding period.

Any part of gross income arising from non-trading activities must be shown separately.

Preliminary final profit statements must now include the monetary value of turnover and gross income, also separating any non-trading income.

Under another new requirement, companies will be obliged, when requested by an exchange, to furnish additional information concerning loans made by the company.

This will concern the identity of the borrower, security held, interest rate, maturity date, any other terms applicable, whether directors of the company have any direct or indirect interest in the borrower, and if so the extent of that interest.

Published accounts from now on must indicate the percentage relationship between operating profit (before extraordinary items) and total share capital and reserves at balance sheet date.

Companies (excluding trading banks) whose ordinary business is money lending must classify receivables, in amounts reflecting the various types of business financed. The basis of calculating unearned income is to be stated.

Takeover bids must include a realistic offer for quoted Preference shares, if any. This may be conditional on success of a bid for Ordinary capital.

New contributing shares issued by a limited liability company will not be quoted without a statement clearly defining a call programme.

Companies changing balance-sheet dates may be required (if a new accounting period exceeds 12 months) to issue an additional report covering the 12 months since the previous balance-sheet date (in preliminary final report form).

Annual reports must be sent to shareholders as well as to exchanges within four months of balance date.

The associated exchanges' executive director R. L. Coppel said that some companies considered the previous four-month requirement fulfilled if accounts went to the exchanges and the Press within four months.

Other new rules tighten requirements regarding replacement of cancelled, lost or destroyed scrip, and specify that non-renounceable offers of loan securities must not open sooner than 14 days after letters of entitlement have been sent.

Rembrandt reports in

STELLENBOSCH, July 31.

REMBRANDT GROUP, the South African based multi-national tobacco and liquor group, reports taxed profits of R35.8m. for the year ended March 31, 1975 (R21.3m. for the nine months to March 31, 1974).

Pre-tax profit was R53.8m. (R33.8m.), tax R16.7m. against R9.2m. and minorities R4.4m., up from R2.6m. The group's net share in profits retained by associated companies was R3.03m. (nil), and earnings per share 68.5 cents against 40.7 cents.

Reuter

Chrysler sees bigger third quarter loss

By Jay Palmer

NEW YORK, July 31

CHRYSLER, AMERICA's third largest auto manufacturer, has forecast that its third-quarter loss will be larger than the $58.7m. net deficit just reported for the April-June period. It has also decided to omit payment of a third quarter dividend. The company last paid 35 cents a share in December 1974.

Tempering this depressing projection, which is contrary to Wall Street's more optimistic assumptions, Chrysler said that it would "return to profitability" in the final three months of the year.

Two days ago, as part of a run of auto results that will end later to-day with Ford's figures, both Chrysler and General Motors unveiled second quarter performances. Chrysler's figures suffer by comparison. While GM announced slightly higher net profits, Chrysler revealed a sharp $86½m. turndown from profit to loss.

Originally Chrysler had been projected to cut its going loss in the current quarter, thanks to the company's heavy economy drives in recent months. With the benefits of this programme now unlikely to show until the final three months, Wall Street analysts point out that the company's continuing sale cash rebate scheme implies that left-over 1975 model vehicles are being sold at near loss making prices.

Chrysler executives did, however, have a few good things to say. Specifically the company said that it would be spending about $1.5bn. on new vehicles for the remainder of the 1970's and that it anticipated that over three-quarters of this capital need would be funded internally. By contrast GM and Ford both plan to spend more and tap the credit markets for extra funds.

The company reiterated that it will have its new model out by the end of the decade and probably within three years. The sub-compact would feature front-wheel drive and be powered by a four cylinder transverse engine. The vehicle will be about the same size as the CA 1100 made by Chrysler in France.

Reuter adds from Washington: Chrysler vice-president John Ford had asked the House Ways and Means Committee for a tax break to help the company's financial problems. He asked the tax writing committee for legislation to allow the company to offset losses against profitable years going back 10 years.

Congress rejected a similar request earlier this year when it passed the big tax cut Bill.

COMPANY NEWS

British Sugar profits down by £7.9m.

THE DIRECTORS of British Sugar Corporation estimate that taxable profit for the year to September 28, 1975, will be approximately £6.5m. compared with £14.36m. for the previous year.

The interim dividend is raised from 3.9371875p to 4.22296875p net per £1 share and the directors expect to recommend the same amount as a final dividend. This would lift the total from 7.914375p to 8.4459375p, the maximum permitted.

Climatic and agricultural conditions in 1974-75 were "extremely adverse," resulting in a beet crop of only 4.5m. tons against 7.3m. tons in 1973-74. This was equal to 10.02 tons per crop acre with an average sugar content of 15.50 per cent. compared with 15.68 tons per crop acre and an average sugar content of 15.87 per cent. in the previous year.

Sugar production in terms of white sugar was 559,273 tons against 948,038 tons. Dried mollased beet pulp produced was 423,625 tons (653,267 tons) and molasses available for sale 104,778 tons (140,735 tons).

Although the beet crop was the worst for 25 years, other developments during the year were advantageous and indicate that the industry's prospects are good, says chairman Sir Gerald Thorley.

Following completion of the corporation's current five-year capital expansion programme and publication of the recent Government White Paper "Food from Our Own Resources" the corporation has announced its plans for a new capital expenditure programme.

This provides both for normal factory improvements and replacement of obsolete and worn out plant and equipment and also for the reconstruction and expansion of factories so as to increase present annual sugar production capacity from 930,000 to 1.25m. tonnes by 1980 in an average campaign of 120 days and to 1.35-1.40m. tonnes in an above average crop year.

This will enable the U.K. to be about 50 per cent. self-sufficient in sugar production from about 600,000 acres sown to sugar beet, says Sir Gerald.

This programme will increase total factory slicing capacity from 65,000 tonnes a day to 80,000 tonnes a day equivalent to the addition of three large factories. Approximately half the total expenditure on the new programme relates to normal factory improvements and replacements, and half to factory reconstruction and expansion.

It is intended that this programme shall be funded from depreciation and retained profits, and the directors have budgeted to spend some £15m. in the first year of the programme commencing on October 1, 1975.

Notwithstanding the difficulties experienced by many growers in 1974, the contracted acreage for 1975 is a record 490,000 acres. Of this, 480,000 acres have been successfully sown.

Although planting was late due to the very wet spring the crop is now growing well and current prospects are for a near average sugar yield, states Sir Gerald.

See Lex

Culter Guard loss warning

The Culter Guard Bridge Holdings AGM was told by the chairman, Sir Donald Cameron of Lochiel, that the paper market was still at a very low ebb, and although the sales force had a number of sizeable orders in prospects, and the order intake had improved in recent weeks, it was still far short of that required to maintain full production.

Thus, figures for the half-year to end September would record a loss making situation, Sir Donald warned.

He stressed that it was not the intention to close any of the three mills in the group. Results in recent years had proved that under normal conditions, they all operated profitably, and he was confident they would do so again whenever consumption returned to satisfactory levels.

Sir Donald added that short-term difficulties abounded, but in the longer term, the market forecast estimated a strong and steady rise in paper consumption.

It might be that this upturn in demand would occur overseas before it appeared in the U.K. and, for this reason among others, the directors were paying special attention to export markets, he said.

Heathcoat upsurge

For 1974 pre-tax profit of John Heathcoat and Co., a textile manufacturing and engineering subsidiary of Coats Patons, comes out £268,900 ahead at £462,600 on turnover up from £12m. to £13.6m. Tax takes £225,900 (£192,200) and the attributable balance has risen from £400 to £235,600.

Armitage Shanks orders

Mr. K. Campbell, chairman of the Armitage Shanks Group (sanitary pottery, plastics, etc.), told the annual meeting that, having regard to the depressed conditions in the building and construction industries, the level of orders was "not unsatisfactory."

Costs continued to increase in a market situation which, at home and abroad, was subject to unabating competitive pressures, he said.

Mr. Campbell added that the policy of full employment, pursued in the hope that effective Government action would arrest the upward inflationary spiral, was unlikely to survive. "The recently announced measures, although deserving of success but as yet unproved, can scarcely be effective soon enough."

Miller Rayner progress

Due to the continued policy of expansion, pre-tax profit of Miller Rayner and Haysom, makers of industrial clothing, advanced from £85,950 to £131,380 during the half-year ended April 30, 1975. Profits for all 1973-74 amounted to £169,559.

The directors report that further acquisitions and new branches are actively under consideration and the full year's results to October 31, 1975 should maintain the progress already shown.

First half earnings per 25p share are shown to be up from 1.9p to 3.4p. There is no interim dividend—to retain funds to finance the planned expansion programme no dividend was paid during the year 1973-74. The directors say now that company policy requires additional capital which can only be obtained out of retained capital.

	Half-year 1974-75 £	1973-74 £
External sales	1,277,063	825,028
[illegible]	132,380	86,950
Tax*	68,318	44,694
Profit after tax	63,862	41,256
Minorities	18,782	16,793
Attributable	[illegible]	24,461
Preference divs.	836	836

* Including deferred tax.

H P Bulmer resources adequate

PROVIDED inflation does not worsen, or price controls become even more stringent, short-term borrowings of H. P. Bulmer, cider makers, should fall from now onwards, states Mr. P. J. Prior, chairman. There is therefore, no intention to raise long-term capital, he tells shareholders in his annual statement.

The group has substantial borrowing facilities which are "more than adequate to meet its foreseeable needs, and these help to ensure that we borrow on the most competitive terms."

During 1974-75 group borrowings rose by £2.1m. to £7.2m. due to the need for more working capital but this increase was less than provided for in budgets. Moreover, £2m. of the increased borrowings have been taken up in the form of unsecured medium-term loans and this has improved net current asset ratios.

Due to inflation and price controls capital expenditure projects of more than £0.5m. were deferred during 1974-75. This deferment is partly reflected in approved commitments at April, 1975, of £1.82m. This total also includes £370,000 of contractual commitments to repurchase 950 acres of development orchards at, or below, the original sales prices, arising from exercise of options granted to the purchasers.

On the outlook he reiterates that there are "very reasonable" grounds for thinking that results in 1975-76 should be on an upward trend and that borrowings should decline.

Higher orders for Anderson Strathclyde

At the annual meeting of Anderson Strathclyde, Mr. D. Misselbrook, the chairman, told shareholders that current orders for products were significantly higher than this time last year.

He stressed also that, in the face of inevitable cash problems, the company had nonetheless maintained its research and development programme.

Mr. Misselbrook pointed out that, despite the effects of price restraint and inflation, pre-tax profits in real terms were, last year, over two and a half times those achieved in 1971. He went on to say "if the Budget's provisions in respect of stock appreciation could be regarded as a permanent measure of alleviation, and not just as a deferment of taxation then the company's net profit, in real terms, was the highest in its history."

Meeting, page 17

CRICKET

BY TREVOR BAILEY

Greig leads revival as determined England fight back to 313 for 9

THE FIRST day of the Lords test started with that all too familiar England collapse, four men back in the pavilion with only 49 runs on the board. This was followed by a determined and positive fight back which took the total to 313 for 9 at stumps.

All credit to Greig, newcomers Steele and Woolmer and the almost inevitable Knott, but the four-man Australian attack apart from Lillee and Walker looked for much of the time somewhat mundane on this very placid pitch.

Steele demonstrated the value and virtue of a correctly played forward defensive stroke and Greig looked what he is—top class. Nevertheless unless rain should fall there must be some doubts as to whether England have sufficient runs.

The England selectors left Old and Edmonds from their original 13 and one immediately wondered about the wisdom of this decision. After all, Old had bowled well at Edgbaston, despite having had to operate into a strong wind throughout, while on this dry pitch the spin of Edmonds could well have proved more penetrative than the seam of the medium pacers.

The new England captain, Tony Greig, did his first job splendidly, winning the toss against Australia and electing to bat on a wicket which did not contain much pace. Unfortunately Lillee surmounted this handicap with a splendid spell of very quick bowling in which he had Wood, Edrich and Amiss all lbw on the back foot for six, nine and nil respectively.

At the other end Thomson was way off target and after only three overs was replaced by the accurate Walker.

Steele, playing in his first Test, came in at 10 for one and opened his account with a boundary off Lillee and invariably moved well into line. Later he was to hook the same bowler for an impressive boundary.

The experiment of dropping Amiss down the order was not a success, as Lillee gobbled him up almost immediately. His last six scores against Australia now read nil, nil, nil, four, five and nil with Lillee collecting him five times.

Gooch, who had the misfortune to collect a "pair" on his international debut and who has been in something of a patch ever since, was much relieved to get off the mark. However, his stay was brief, as he became Lillee's fourth victim when he touched one to the keeper and England had sunk to a depressing 49 for four.

Just after one o'clock Lillee came off after 10 overs with four for 33, a magnificent spell on what appeared a good, friendly batting pitch.

The England captain joined Steele, who was playing sensibly, and immediately began to show his class. To some extent he was helped by Thomson, who was continually plagued with no-ball calls and looked short of both pace and confidence. At lunch, the pair were still together and the 89 runs on the board suggested that they might be capable of initiating an even larger recovery.

After the interval the stand continued to prosper despite the efforts of Lillee and Walker. With the attacking fields set by Chappell, combined with the fast outfield, runs came rapidly. To help matters still further, both Greig and Steele were on the look-out for every single.

Greig reached a fine 50 with a two off Lillee, who understandably was beginning to tire. With the total at 142, Mallett replaced Walker and Steele completed a fine, solid half-century with a pull to leg, but immediately afterwards he chopped Thomson into his stumps. However, Greig was to find another competent partner in Knott.

Thomson continued to send down an unusual number of no balls, while Mallett looked a rather ordinary off-spinner, as this pair added 50 in well under even time. Greig seemed destined for the century he deserved, when on 96 he fished at a ball just outside his off stump and was caught, with the score at 222 for six. Woolmer joined Knott and the Kent pair were still together when tea was taken with the score at 232 for 6.

In the final session the Kent duo settled down to their rescue act with the perky Knott the dominant partner and a sensible support provided by Woolmer. Their partnership put on over 50 and was eventually ended by Thomson who, though not firing on all cylinders, trapped Knott lbw forcing to leg for an invaluable 59.

Woolmer batted attractively even though he enjoyed a certain amount of luck, being dropped in the slips off both Mallett and Thomson and surviving several appeals. He was eventually caught in the leg trap off Mallett, who also had Snow caught in the deep. At close England were 313 for nine and though this may well prove to be not enough it is certainly much better than it might have been.

Tony Greig leads the England recovery as he pulls a ball from Mallett to the boundary.

Bow Group pamphlet urges 'one nation'

BY JOHN BOURNE, LOBBY EDITOR

MR. NICHOLAS SCOTT, Conservative MP for Chelsea and a member of Mr. Heath's "shadow" cabinet but dropped by Mrs. Margaret Thatcher, today warns his party against adopting positions which are different "simply for the sake of being different."

He argues in a Bow Group pamphlet the moderate Conservative case for "one nation" politics—a theme which he says has been the most successful approach for the modern Conservative Party.

The Conservatives should not adopt policies that would enable their critics and the electorate to see them simply as the party "which defends the bourgeois ethic."

"One nation" was not just a convenient peroration for a speech, but a realistic, fundamental tenet for a Tory Party if it was to survive and prosper.

The party should renew its interest and involvement in social reform. The Tory approach was quite distinct from that of the Labour Party and it was the Tory way that enjoyed widespread support.

A commitment to social reform had always been one of the essential strands of the "one nation" theme.

A Primrose Path? by Nicholas Scott, MP, 40p; the Bow Group, 240, High Holborn, London, W.C.1.

Health and social services costs still rising

THE COST of running the health and social services in England has increased by more than half in two years, according to Department of Health and Social Security estimates published yesterday.

There was an increase in spending of £420m. in the financial year 1973-74, taking the total spent to £3.032bn., according to the department's annual report.

That increase is expected to be followed in 1974-75 by a further increase of over £900m., bringing the total to nearly £4.0bn. This will represent a 53 per cent. increase in two years during which prices as a whole rose by about 35 per cent.

Of the £4bn., the personal social services are expected to cost £553m. Most of the rest is the cost of the National Health Service.

This takes the cost of the NHS—including dental and ophthalmic services—in England alone to over £3bn. But Mrs. Barbara Castle, Social Services Secretary, has already warned that she thinks the NHS will be very lucky to see any real growth in the next three to four years.

The annual report shows there was again a fall in the number of hospital beds available, bringing the total reduction since 1964 to over 9 per cent. Mental illness beds account for most of the reduction.

The number of in-patients treated increased to 5,176,000 following a fall in 1973, but waiting lists also rose by 2 per cent. The increasing emphasis on day care—patients not staying in hospital—is reflected by a 10 per cent. jump in patients treated on a day-care basis.

Hospital building in 1973-74 fell by more than £16m. in real terms to £205.4m., but the number of health centres increased by 102, giving a total of 566.

The growing number of people over 65—particularly over 75—continued to put the health and social services under pressure, the report says. Admissions rose by 1.5 per cent. with day-patient attendances up 13 per cent. and new day patients up 25 per cent.

The number of aids provided for old people also rose steeply—with 44 per cent. more households having aids or adaptations for the elderly than in the previous year.

The cost of social security benefits for Great Britain at the end of 1974 was about £6.929bn. This is expected to rise to £8.322bn. at the new rates which came into force in April this year.

Post Office commemorates telephone

The Post Office will issue a set of four stamps in March to commemorate the centenary of the invention of the telephone by Alexander Graham Bell.

Other special stamps next year: April—a set of four dealing with British pioneering in industrial and social reform; June—a stamp for the bi-centennial of the U.S. of America and a set featuring roses to mark the centenary year of the Royal National Rose Society. August—a set of four on British folk activities.

There will also be a set of four in the autumn to mark the 500th anniversary of the first printing produced in England. Christmas stamps will be issued in November to complete the year's programme.

BANK RETURN

—	Wednesday July 30 1975	Inc. (+) or dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	21,539,282	— 406,050
Special Deposits	969,275,000	— 6,275,000
Bankers	262,827,463	— 67,236,165
Reserves & Other A/cs	365,082,347	— 37,632,905
	1,617,897,092	— 95,331,120
ASSETS		
Govt. Securities	1,151,542,299	— 60,225,000
Advance & Other A/cs	328,560,089	— 50,563,684
Premises, Equip't & other Secs	96,781,707	— 9,210
Notes	40,788,104	+ 15,478,755
Coin	215,353	— 9,987
	1,617,897,092	— 95,331,130
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	6,000,000,000	+ 25,000,000
In Circulation	5,959,211,896	+ 9,523,243
In Bank'g Dept	40,788,104	+ 15,476,757
ASSETS		
Govt. Debt	11,015,100	—
Other Govt. Secs	5,292,121,820	+ 2,415,599
Other Securities	696,863,080	+ 18,584,401
	6,000,000,000	+ 25,000,000

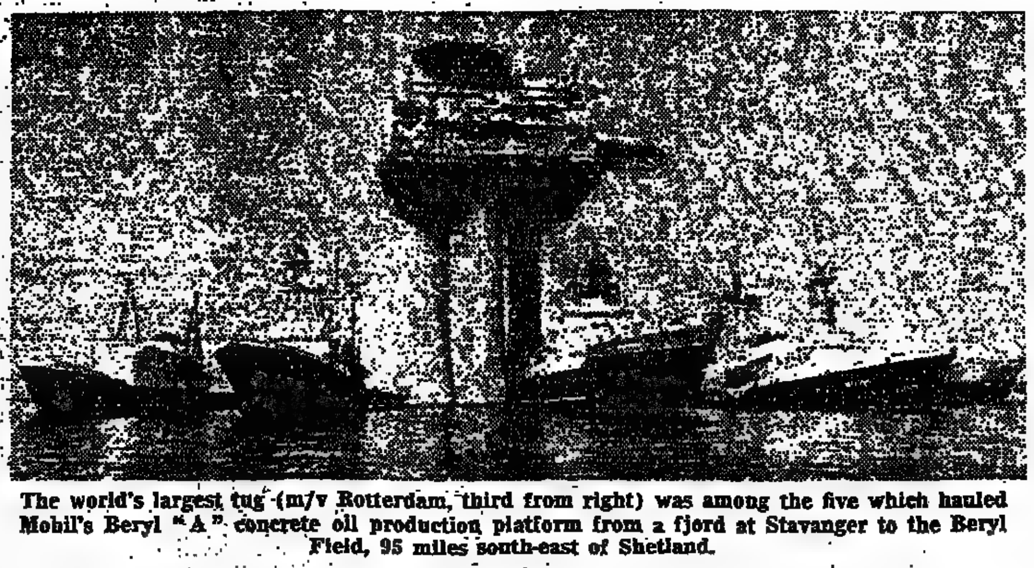
NORTH SEA OIL REVIEW

BY ADRIAN HAMILTON

Mixed results in a wealth of wells

TEXACO IS reported to have encountered substantial oil-bearing sands on its latest well on block 3/4, to the south of Brent. Both Shell and Occidental have also established interesting oil finds close to the existing fields of Cormorant and Claymore in recent weeks. The industry, however, is still awaiting news of the all-important second well being drilled by BP on its Magnus field, and both BP and Shell have recently abandoned fairly disappointing wells in the East Shetlands area.

The Texaco well, being drilled on a structure which straddles the line between the Texaco block 3/4 and the adjoining Total block 3/9 to the south, has still to finish testing and the company is making no comment on the results. Reports in the industry, on the other hand, indicate encouraging results, with a sizable thickness of oil-bearing sand encountered during the drilling.



The world's largest tug (m/v Rotterdam, third from right) was among the five which hauled Mobil's Beryl "A" concrete oil production platform from a fjord at Stavanger to the Beryl Field, 95 miles south-east of Shetland.

Same structure

Total, meanwhile, is drilling on block 3/9, on what would appear to be the same structure although its well has still to penetrate the relevant Jurassic sands and it is by no means certain how encouraging the result of the Texaco well are for Total.

Of the wells now being completed in the North Sea Shell/Esso's on block 211/26 to the south-east of Cormorant would seem to show particular promise. The well now being tested is on a structure separate from Cormorant and deeper than it—which might normally suggest rather less productive sands. The well is reported to have established a reasonable thickness of oil-bearing sands and to have suggested an interesting oil find in its own right which could possibly be tied into the Cormorant system at a later stage, although it would need a separate platform and production facilities.

Other wells now nearing completion include Hamilton Brother's latest well on its promising Crawford oil discovery at block 9/28, south of Beryl. This is being drilled to the south-west of the original discovery well, 9/28-2, on what is thought to be the same structure, and should be completed within the next week. The group has also recently started a third well on its block 9/8, where a condensate discovery, the Bruce Field, was announced last year. The well is being drilled to the north-west of the discovery well on a separate fault block.

Mobil is nearing target depth on two important wells aimed at proving up additional reserves in the Beryl Field, currently estimated to contain between 500m. and 700m. barrels. One, using the Transworld 61, is testing a separate prospect to the south-west. The other, using the Sedco 704, is testing the complex extension of the field to the north-west, although whether or not any oil found connects with the main Beryl reservoir remains unclear. Both wells are likely, according to reports, to be tested, indicating at least that some hydrocarbons have been encountered.

Earlier in July, Shell/Esso completed one of the two wells it has been drilling in block 211/13 to the east of the Magnus Field. The well, drilled near the top of the accumulation, encountered oil but only in small and apparently uncommercial quantities. It was drilled to the south-east of the pinnacle or high drilled earlier by the partnership, which found gas and condensate there in intriguing but somewhat disappointing circumstances.

In a quite separate prospect, the partnership is also drilling a well down from the high to the west of the first well on the block and to the east of BP's Magnus Field on block 211/12 (although it seems unlikely that it is an extension of Magnus which is separated by a fault from the Shell/Esso drilling). One problem for all the drilling in this area to the far north is, of course, the water depths which, at well over 600 feet, present considerable development difficulties. Following the completion of the second well on 211/13, Shell has moved the rig, the Sedco 700, to drill a wildcat on its 100 per cent. owned block 210/4.

This well could be a particularly interesting one. It is being drilled near the line between blocks 210/4 and 210/9 in water of over 750 feet close to the northernmost part of U.K. licensed territory. Despite the water depth, and the lack of geological knowledge of this part, however, the feature (or "nose" of plunging basement overlain with sediments) under investigation is believed to form one of the largest and most interesting prospects still to be drilled in the North Sea, extending through several blocks and including acreage held by Exxon. Intriguingly block 210/4 is reported to be one of the blocks in which the French companies Total and Elf-Aquitaine have negotiated an interest in return for giving Shell a share of the action in the French part of the South-Western Approaches. The farm-in agreement has still to be approved by the Department of Energy and clearly raises sensitive political issues as far as its use in a potential conflict over participation is concerned.

Among other wells recently completed is Occidental's ninth on the Claymore block. This was drilled to the south-west of the Claymore Field but, while oil was found and some interesting geological results produced, it seems doubtful whether the find is either large enough or close enough to Claymore to be producible at this time. Occidental has now moved the rig to drill wells on the south-eastern part to test a broad extension of the structure in which Texaco found oil on the adjoining block 14/20.

Despite initial hopes, however, Texaco's drilling in this area on blocks 14/20 and 15/16 to the east of Claymore has recently proved more than a little disappointing. Recent wells on both blocks 14/20 in June and on 15/16 last month have proved dry. While there may still be some hopes that the accumulations already established will prove commercial, it is now likely to take considerable further drilling before this can be settled, and this is against an atmosphere where the prospects for development must hang very much in the balance.

Mixed and far from inspiring results are also reported on other recent wells. Burmah-Signal successfully found oil on a well completed in the Thistle area on block 211/18, but it seems doubtful at the moment whether it has added much to reserve estimates. The group has now moved the rig to drill a separate structure in the north-west part of the block. BP recently abandoned its first well on its group of northerly blocks to the north-west of the Viking Graben. The well, on block 210/13 seems to have been disappointing and, while it is possible that BP could return to this area, where it has three adjoining blocks, the first result would seem to bear out the lack of regard with which some other companies have regarded BP's choice of acreage here.

Plugged

West of the Shetlands, Arpet has just plugged *and abandoned* its well on block 205/26 — the tenth unsuccessful well to be drilled in a row West of the Shetlands — while Monsanto/Deminex has started its first well in this area on block 204/30. The well follows the completion of a disappointing one on block 15/21 which encountered quite promising shows of oil on the way down. Testing, for reasons which have yet to be fully explained, failed to produce any reasonable oil or gas flows—possibly suggesting that the oil had migrated or escaped from the structure.

Police clear up only two crimes out of five

FINANCIAL TIMES REPORTER

POLICE CLEARED up only two of every five crimes reported to them in England and Wales last year, according to the latest official statistics.

The number of offences cleared up rose by comparison with 1973, but there was an overall increase in known crime of 18 per cent. to 1.96m. cases, so that cases cleared up fell from 42 per cent. to 39 per cent.

Some categories of offence showed particularly sharp increases between 1973 and last year. Criminal damage rose by 27 *per cent.; burglary 23 per* cent.; theft 18 per cent, and handling of stolen goods 18 per cent.

The rise in offences of violence against the person, at 4 per cent., was the lowest for some years. The only group to show a decrease compared with 1973 was sexual offences, which fell by 4 per cent.

Homicide cases known to the police last year rose by 35 to 600, and 45 of the deaths resulted from acts of terrorism.

The number of people found guilty of motoring offences fell about 2 per cent.

Criminal Statistic for England and Wales; HMSO. £4.40

● Crime increased by more than 14 per cent. in Scotland in 1974.

Inflation cuts July profits

BY RON PUTLAND

THE EROSION of profit margins through inflation continued to take its toll on pre-tax profits of companies reporting last month.

The profit figures, however, showed an increase of 5.2 per cent. over those in reports received a year ago, compared with a gain of 4.5 per cent. in June and an improvement of 3.1 per cent. in May.

Excluding Harland and Wolff, which reported a reduced loss of £16.7m. in 1974, profits of other companies reporting last month would have shown a rise of only 2.7 per cent., continuing the *slowdown in pre-tax profits* growth over the previous two months.

The rise in dividends last month of 4.5 per cent. came well within the new legislated allowable increase of 10 per cent.

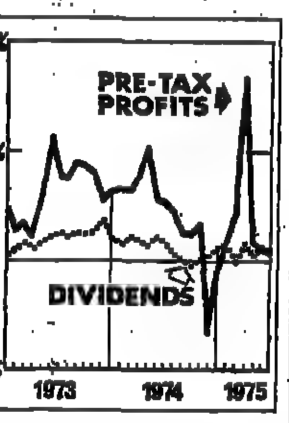
Down

Despite increased turnover, the pre-tax profits of a number of large and well-known companies reporting last month showed a decrease over those of a year ago.

These included Pilkington Bros. where profits (down 47 per cent.) were badly affected by the slump in the motor trade; Whitbread, *with profits 23.1 per* cent. lower; Tesco, where the 5.3 per cent. fall in profits was the first setback for more than a decade; and Plessey, with profits 9.3 per cent. down.

Of the more notable increases, Reed International put pre-tax profits up by 30.4 per cent., while Johnson Matthey's rose by 16.9 per cent., Beecham's by 12.6 per cent., and British and Commonwealth's by 34.2 per cent.

In spite of the large falls in profits, shareholders of Pilkington Bros. are to receive 10 per cent. more dividend, while



Plessey increased its payout by 9.2 per cent. Reed's dividend went up by 9.4 per cent. and Tesco's by 8 per cent.

APPOINTMENTS

Berkeley Hambro

Mr. J. M. Clay has joined the Board of BERKELEY HAMBRO PROPERTY COMPANY. Mr. Clay is a member of the Board of Hambros Limited and is deputy chairman of Hambros Bank.

★

It was announced to-day that the following directors have been appointed to the executive committee of the Board of ANGLO AMERICAN CORPORATION: Dr. Z. J. de Beer, Mr. E. P. Gush, Mr. D. G. Nicholson, Mr. N. K. Kinkead-Weekes and Mr. G. Langton.

★

Mr. Piers Phipps has been appointed an assistant director of LAZARD BROTHERS AND CO.

★

Mr. Ralph Mantel has been appointed secretary/treasurer of SPERRY RAND and Sperry Rand Trustees.

★

Mr. Robert McGee has been appointed chief executive to BRITISH VITA and Mr. Frank J. Eaton has joined the Board. Mr. George Blunt is now deputy chairman with Mr. Fernley A. Parker. Mr. Arthur D. Wilson has resigned from the Board and *has left the company.*

★

Sir James Barker has succeeded Sir Roger Falk as chairman of the CENTRAL COUNCIL FOR AGRICULTURAL AND HORTICULTURAL CO-OPERATION. The appointment is for a period of three years. Sir James is continuing as chairman of Unigate.

★

Mr. Derek E. A. Budden has been appointed to the Board of DEVELOPMENT SECURITIES.

★

Mr. Henry Keswick has been appointed a director of JARDINE JAPAN INVESTMENT TRUST.

★

WOBACO HOLDING COMPANY S.A. states that Mr. Sam T. Paton, deputy chairman of the Toronto-Dominion Bank, has been appointed chairman of the group *following the retirement of Mr.* Tom B. Coughran.

★

Mr. Michael Groves has been appointed marketing director of INTERNATIONAL STORES. He was previously with Tesco.

★

Mr. R. L. Grant has retired from the Board of the GLENLIVET DISTILLERS. Mr. W. G. Shaw and Mr. A. R. Gunn have been appointed directors.

★

Mr. Alan Edwards and Mr. U. M. De Lanarolle have been appointed directors of CHANNEL-FLOW AIR FREIGHT, a member of the Giltspur group.

★

Mr. F. N. Upchurch, chairman of Kitson's Insulations (a member of the Pilkington group) is to retire from the Board from September 30, *after 54 years with* the company. Mr. D. E. West, deputy chairman, will succeed Mr. Upchurch, who becomes honorary life president.

★

Mr. Charles M. Shaw has been appointed director of the UNITED STATES TRADE CENTER London.

★

Viscount Errington has been appointed to the Hong Kong headquarters of BANCOM INTERNATIONAL.

APPOINTMENTS

CONTRACT AND TENDERS

COMPANY NOTICES

COMPANY NOTICES

WALL STREET + OVERSEAS MARKETS

Mixed after fairly strong start

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 31.

A FAIRLY STRONG start gave place to a mixed tendency on Wall Street to-day.

After opening a further 6.97 up at 838.63, the Dow Jones Industrial Average dropped back to 831.51, for a net loss of 0.15, in the last hour of trading. The NYSE All Common Index finished one cent off at $47.52, after rallying another 32 cents to $47.85, although advances still topped declines by 762-to-557. Trading volume further decreased 1.61m. shares to 14.54m.

The early gain was attributed in part to news that U.S. Factory Orders increased in June for the third consecutive month while inventories continued to decline, plus Treasury Secretary William Simon's proposal for future income tax relief on dividend earnings.

But the late softness coincided with Government reports of a decline in Weekly Retail Sales and the fourth consecutive month of rising Farm Prices, further aggravating inflation fears.

Most of the worry about a possible new inflationary spiral arose following recent Soviet purchases of U.S. grain.

Chrysler tacked on $½ at $12¾, although it ommitted the third quarter dividend. Ford Motor added $½ at $39, although lower it reported lower second quarter profits. General Motors firmed $½ to $51⅝ on improved quarterly results.

American Motors, which will report quarterly results next week shed $⅛ to $6½.

Moore McCormack dropped $7 to $72½—it said results for the third quarter "probably will trail those of the prior year period."

Halliburton added $1½ at $174⅜ after reporting sharply higher earnings.

Smith International gained $⅝ to $32½, also on improved profits.

Steels were narrowly mixed.

Harcourt Brace Jovanovich climbed 2½ to $34¾ on "substantially higher" second quarter net.

Menasco moved ahead $⅜ at $11⅜ on fourth quarter net of $1.16 (41 cents) a share.

Smith International rose $⅝ to $32½ on "sharply higher" second quarter net. Timken improved $1⅝ to $36 also on higher second quarter net.

The American SE Market Value Index closed unchanged at 89.86, while advances slightly outnumbered declines by 274 to 272.

... gave way 2.52 to 384.32 and Papers shed 0.77 to 113.81.

Falconbridge Nickel dipped $1½ to $32½ on its lower earnings. Grafton Group lost $1½ to $29.

Domtar shed $⅜ to $23⅜ on lower first half earnings.

PARIS—Mixed, with operators awaiting further news of possible Government measures.

Banks, Portfolios, Motors and Engineerings were easier, while Foods, Breweries, Constructions, Metals, Chemicals and Stores were irregular. Electricals, Rubbers and Oils held their ground.

In Foreign stocks, Americans, Germans, Dutch and Belgians were resistant, Golds and International Oils were easier, while Coppers were mixed.

BRUSSELS—Mixed in slow trading.

Metals were mostly higher. Union Miniere rose Frs.48 to Frs.1,420 and Hoboken Frs.60 to Frs.3,985. In mixed Steels, Arbed declined Frs.100 to Frs.4,050 but Cockerill firmed Frs.10 to Frs.1,070. Solvay rose Frs.60 to Frs.2,720 in Firm Chemicals.

U.S. shares were mostly higher, Dutch stocks easier, French issues lost ground, Germans improved, while South African Minings declined.

AMSTERDAM—Generally easier, with only Royal Dutch resistant in Dutch Internationals. Conditions remained dull as the market awaited the flow of semi-annual reports from Internationals and major Banks, due to start next month.

Banks weakened, but Shippings and Insurances were very steady. State Loans firmed.

GERMANY—Higher, due to firmer dollar, an improvement on the German Bond Market and also increased Investment Fund and dealer stock purchases.

Utility and Machinery shares put on up to DM5.88 and DM5.50 respectively, while Varta, up DM4.5, led Electricals higher. Siemens gained only DM0.80 after announcing slightly higher first nine months profits.

The Bond Market eased, with authorities buying only a nominal DM10.5m. worth of stock. Public Issues firmed DM0.10. Mark Foreign Loans were steadier.

OSLO—Banks were steady, Insurances little changed, Industrials quiet, while Shippings were firmer.

COPENHAGEN — Mixed to higher. Industrials were firmer, while Banks, Communications and Commodities were little changed.

VIENNA—Generally very steady.

SWITZERLAND—Generally very steady in front of the extended week-end.

Leading Banks improved slightly, led by Kreditanstalt.

Oerlikon Buehrle and Elektro-Watt were favoured among Financials, while Usego Bearer edged lower.

In a moderately active Foreign sector, Dollar stocks were steady to firmer, Dutch Internationals barely steady, while Germans were well maintained.

MILAN—Mixed in subdued trading, reflecting the Carli resignation, Fiat outlook and also monthly Settlement factors.

HONG KONG—Shares improved in decreased trading.

Hong Kong Bank were up 40 cents to $HK14.90, Hong Kong Land 5 cents to 6.55, Hong Kong Electric 2.5 cents to 3.60 and Hong Kong and Kowloon Wharf 20 cents to 11.10.

TOKYO—Market advanced slowly throughout the session, encouraged by the overnight gain on Wall Street. Volume 120m. (same) shares.

Commodity-Orientated shares, such as Papers, Textiles and non-Ferrous Metals moved up over a broad front.

AUSTRALIA—Generally higher, influenced by BHP's 10.5 per cent. steel price rise and further stronger Corporate results from some leading companies.

BHP were lifted 30 cents to $A7.20—it also reported "varying quality hydrocarbon shows from the Hapuku-1 well, although no significance can be attached to them at this stage."

C. J. Coles put on 4 cents to $A1.13 on a 5.15 per cent. increase in net profit.

Sugars attracted support. CSR gained 5 cents to $A4, Pioneer 10 cents also to $A4 and Bundaberg 10 cents to $A4.20.

Oils were in demand, with Woodside-Burmah up 6 cents to 83 cents and Weeks 5 cents to 85 cents.

JOHANNESBURG—Gold shares eased in a thin market, reflecting lower bullion price trends.

Financial Minings were also easier. Platinums were inclined lower and Tin shares were a few cents off.

OTHER MARKETS

Canada also mixed

Canadian stock markets were mostly higher in moderate trading yesterday morning.

The Industrial Share Index put on 0.41 to 190.25, Base Metals 0.40 to 78.07, Western Oils 1.25 to 188.31, Utilities 0.05 to 130.55 and Banks 0.79 to 272.42. But Golds ...

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
July 31	68.61	161.83	831.51	79.63	14,540
30	68.62	161.26	831.66	79.50	16,160
29	68.56	159.29	824.86	79.54	19,000
28	68.85	160.23	827.83	79.60	14,550
25	68.81	161.22	834.08	80.11	16,110
24	68.88	161.65	840.27	80.01	20,560
23	68.97	162.69	836.67	81.13	20,150
22	68.98	167.12	846.76	82.37	20,650
21	68.81	170.15	845.74	85.14	16,690
18	68.85	170.30	862.41	83.30	18,970
17	68.88	172.16	864.28	83.65	21,420
16	68.93	172.61	872.11	83.61	25,250
15	68.91	173.88	881.81	84.74	28,340
14	68.80	172.89	875.86	84.71	21,900
11	68.79	172.69	871.09	84.48	22,210
10	68.93	172.48	871.57	84.20	28,880
9	68.85	172.05	871.87	83.81	26,350
8	68.65	169.85	867.78	83.24	12,990
1975 High	68.82 (4/4)	174.12 (5/6)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

July 25	July 18	July 19, 1974
4.64	4.48	4.68

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	J'ly 31	J'ly 30	J'ly 29	J'ly 28	J'ly 25
51.24 (16/7)	37.06 (2/1)	47.52	47.53	47.20	47.51	47.87

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,921	762	557	473

	J'ly 31	J'ly 30	J'ly 29	J'ly 28	J'ly 25
New Highs	19	11	4	6	9
" Lows	6	12	12	11	10

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	J'ly 31	J'ly 30	J'ly 29	J'ly 28	J'ly 25
90.80 (15/7)	62.20 (2/1)	89.86	89.86	89.65	90.54	91.14
Volume (00's)		1,750	1,740	2,120	1,770	1,850

U.S. STOCK INDICES STANDARD AND POORS

	*Industrials	†Composite
July 31	99.58	88.75
30	99.68	88.83
29	99.05	88.19
28	99.54	88.69
25	100.21	89.29
24	101.12	90.07
23	101.18	90.19
22	102.61	[illegible]
21	105.09	92.44
18	104.59	93.20
17	105.09	93.63
16	106.25	94.61
1975 High	107.40 (15/7)	95.61 (15/7)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	July 30 1975	July 23 1975	July 31 1974
Ind. Ord. yield pc	3.84	3.78	4.35
Ind. Ord. p/e ratio	10.85	11.03	10.29
Long-term Govt. Bds. per cent.	8.71	8.73	8.62

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Southern Co.	237,400	12⅛	−⅛
Lubrizol	150,800	45	−3
Xerox	140,200	61⅞	+1⅛
Merrill Lynch	136,400	19⅝	−⅛
Searle G.D.	130,800	16⅝	+⅛
Occidental Petrlm.	127,000	18	−⅛
Polaroid	122,100	38	−1⅛
Texas Gas	111,700	29⅛	−1
Gulf Oil	107,300	21⅛	—
Chrysler	100,900	12⅝	+½

TORONTO

INDUSTRIAL INDEX

July 31	July 30	1975 High	1975 Low
190.80	189.84	196.30 (15/7)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

July 31	July 30	1975 High	1975 Low
193.97	193.46	203.61 (15/7)	158.85 (2/1)

COMBINED INDEX

July 31	July 30	1975 High	1975 Low
192.87	192.42	198.98 (15/7)	158.02 (2/1)

JOHANNESBURG

	July 31	July 30	1975 High	1975 Low
Industrials	223.4	227.3	238.9 (16/7)	181.2 (23/1)
Golds	303.8	308.1	370.1 (2/1)	285.3 (13/4)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	July 31	July 24	July 17
On Dividends	7.53	7.42	7.38
On Earnings	14.15	14.23	14.08

SYDNEY ALL ORD. INDEX

July 31	July 30	High 1975	Low 1975
362.78	359.21	388.55 (4/6)	288.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

July 31	July 30	High 1975	Low 1975
318.07	317.33	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ◆

July 31	July 30	High 1975	Low 1975
306.77	305.15	341.57 (9/6)	160.42 (9/1)

SINGAPORE INDEX §

July 31	July 30	High 1975	Low 1975
226.54	224.78	268.69 (11/5)	163.26 (8/1)

EUROPE

	July 31	Previous	1975 High	1975 Low
Belg'm (a)	109.23	108.27	111.81 (15/6)	89.07 (2/1)
Denm'k (b)	91.48	91.29	92.80 (13/6)	73.06 (13/1)
France (d)	67.1	67.0	72.6 (23/4)	51.70 (2/1)
Germ'y (e)	719.5	718.5	726.1 (15/4)	573.5 (2/1)
Holland (f)	100.6	100.0	107.8 (6/6)	85.8 (2/1)
Italy (g)	81.68	81.66	108.89 (21/2)	81.57 (21/7)
Spain (h)	97.04	96.24	110.95 (22/4)	95.50 (4/7)
Sweden (k)	389.61	380.27	380.27 (30/7)	310.58 (8/1)
Switz'rl'd (m)	285.9	284.0	295.1 (6/6)	208.5 (3/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ◆ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

Investment premium based on $2.60 per £1—85¼% (85½%)

OVERSEAS SHARE INFORMATION

NEW YORK — CANADA — GERMANY ◆ — AMSTERDAM — AUSTRALIA — VIENNA — JOHANNESBURG — PARIS — TOKYO ¶ — BRUSSELS — SPAIN ♥ — MILAN — STOCKHOLM — OSLO ◆ — SWITZERLAND ◆ — COPENHAGEN

GERMANY July 31	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	77.5	+2.5	—	—
Allianz Versich.	455	+2	‡17	1.8
B.M.W.	258	+1	14	5.0
BASF	145.5	+0.6	17	5.9
Bayer	118	+1.5	17	7.0
Bayer Hypo	320.5	+2.5	18	2.8
Bayer Vereinsbk.	354	+2	18	2.5
Commerzbank	216.4	+1.8	17	3.9

AMSTERDAM July 31	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	103	+0.1	28	3.4
Akzo (Fl.20)	39.5	−0.5	20	9.8
Algem Bnk (Fl.100)	329	−1	20	6.6
AMAS NV (Fl.10)	12.9	−0.1	10	7.7
AMEV (Fl.20)	66.8	+0.1	30	10.8
Amro Bank (Fl.20)	74.2	−0.2	20	5.4
Van Berkels (Fl.50)	118.5		18	6.2

AUSTRALIA July 31	Aust. $	+ or −
Acrow Australia	†0.55	
Adelaide Brig'ton Cem't 50c	†0.82	+0.02
Allied Mnfg. Trdg. Indus $1	1.56	+0.04
Ampol Exploration	†1.59	+0.05
Ampol Petroleum	†3.45	−0.01
Assoc. Minerals	†2.45	
Assoc. Pulp Paper $1	†0.76	+0.01

VIENNA July 31	Price %	+ or −	Div. %	Yld. %
Creditanstalt	380		10	2.6
Perlmooser	345	−5	12	3.5
Selecta	780.5		48	6.5
Semperit	179	+1	—	—
Steyr Daimler	144		9	6.3

FOREIGN EXCHANGES

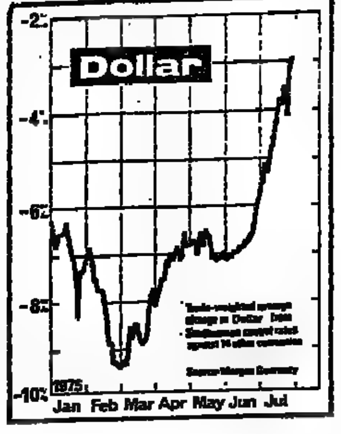
£ weakens

Sterling deteriorated significantly against the dollar in the foreign exchange market yesterday. This followed concern over the U.K. economy after record losses announced by nationalised industries. The continuing strength of the dollar helped by an improving U.S. economy, was also a factor weakening the pound. Against other major currencies however, the pound held steady on balance. Sterling's trade-weighted average depreciation against 10 currencies since the Washington Currency Agreement (as calculated by the Bank of England), widened to 26.2 per cent. at the close compared with the previous 25.8 per cent. thus reflecting the strength of the dollar against the pound. At noon the depreciation stood at 26.3 per cent. and 25.9 per cent. in the morning.

Sterling closed at 2.1530-2.1545 in terms of the dollar, there being no demand for the former. An all time low was reached during the day of $2.1410-2.1420 having opened at its best level for the day at $2.1575-2.1585.

The dollar's trade-weighted average depreciation against 14 units since the Washington Agreement as calculated by Morgan Guaranty in New York on noon rates, improved to 2.93 per cent., its best level since February 8, 1974, and against the previous close of 3.07 per cent. The pound's depreciation on a similar basis eased to 31.28 per cent. against 30.94 per cent.

Trading in gold was quiet yesterday losing 10c on the day to close at $166.40-167.40 having opened at $166½-167½. The krugerrand for domestic delivery closed at $177½-179½ (£82½-83½) compared with $179-180½ (£82¾-83½).



EXCHANGE CROSS-RATES

July 31	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't.	—	2.672-674	58.84-93	6.69-70	5.52-53	96.92-97.06	95.15-.34
N. York	38.90-94	—	22.87-90	2.603-608	2.1530-1570	37.78-80	37.10-15
Paris	169.70-70.1	4.37-38	—	11.375-400	9.378-403	164.52-.92	161.375-775
Brussels	14.88-95	38.37-42	8.75-80	—	82.18-82.51	14.42-51	14.12-22
London	5.52½-53½	2.1530-45	9.39-41	82.56-85	—	5.69-70	5.80½-82
Am'erdam	103.10-15	2.6532-57	60.665-715	6.906-911	5.6905-55	—	38.005-.065
Zurich	105.03-22	2.699-703	61.76-88	7.025-040	5.801-5105	101.77-35	—

U.S. $ in Montreal U.S.$=103.10-12 Canadian cents.
Canadian $ in New York. $C1=96.90-92 U.S. cents. U.S. $ in Milan 665.60.
Sterling in Milan 1427.50.

EURO-CURRENCY INTEREST RATES*

July 31 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
†Short term	7¾-8¼	5¾-6¼	5½-6½	1-2	2-3	2-3
7 days notice	10¼-10½	5⅝-6⅛	6-7	1½-1¾	2⅝-2⅞	7½-8
Month	10½-11	6⅛-6⅝	7⅛-7½	2¾-3¼	3½-3⅝	3¾-4
Three month	10⅞-11⅜	6¾-7¼	7⅜-7⅞	3¼-3½	3¾-4	4¼-4½
Six months	11¾-12¼	7¾-8¼	8⅛-8⅝	5⅛-5⅜	4⅝-4⅞	5¼-5½
One year	12½-13	8¼-8¾	8⅜-8⅞	6⅝-6⅞	5¾-6	5¾-6

Euro-French deposit rate short-term 11-12 per cent.; seven days' notice 7-7½ per cent.; one-month 8¾-9¼ per cent.; three months 9½-10 per cent.; six months 10½-11 per cent.; one year 10½-10½ per cent.

Longer-term Eurodollar deposits: two years 8½-8¾ per cent.; three years 9-9½ per cent.; four years 9½-9¾ per cent.; five years 9½-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 6¼-6½ per cent.; three months 6⅞-6⅞ per cent.; six months 7 13/16-7⅞ per cent.; one year 8½-8¾ per cent.

*Rates are nominal closing rates.

†Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days' notice for guilders and Swiss francs.

GOLD MARKET

	July 31 1975	July 30 1975
Gold Bullion (a fine ounce) Close	$166.40-167.40	$166½-167½
Opening	$166½-167½	$166½-167½
Morning fixing	$166.40 (£77.467)	$166.20 (£76.579)
Afternoon fixing	$166.70 (£77.582)	$167.25 (£77.091)
Gold coins domestically Krugerrand	$177½-179½ (£82½-83½)	$179-180½ (£82¾-83½)
New sov'r'gns	$54-55½ (£25-25½)	$53½-55 (£24¾-25½)
Old sov'r'gns	$54-55½ (£25-25½)	$53½-55 (£24¾-25½)
Gold coins Int'n'n'ally Krugerrand	$171½-173½ (£79½-80½)	$171½-173½ (£79¼-80¼)
New sov'r'gns	$50¾-51½ (£23½-24)	$50¼-51½ (£23¼-23¾)
Old sov'r'gns	$50¾-51½ (£23½-24)	$50¼-51½ (£23¼-23¾)
$20 Eagles	$250-255	$249-252
$10 Eagles	$118-121	$118-122
$5 Eagles	$86-88	$86-88

FOREIGN EXCHANGES

July 31 1975	Bank Rates %	Market Rates Day's Spread	Close
New York	6	2.1410-2.1580	2.1530-2.1545
Montreal	8¼	2.2090-2.2230	2.2215-2.2230
Amsterdam	6	5.68-5.75	5.69-5.70
Brussels	†6½	82.30-83.00	82.56-82.85
Copenh'gen	8	12.89-12.98	12.92-12.94
Frankfurt	4½	5.51-5.56	5.52½-5.53½
Lisbon	6½	56.50-57.10	56.55-56.85
Madrid	†7	125.20-125.80	125.35-125.55
Milan	7	1,427-1,458	1,452-1,454
Oslo	5½	11.67-11.77	11.68-11.70
Paris	9½	9.37-9.43	9.39-9.41
Stockholm	7	9.22-9.29	9.23½-9.26½
Tokyo	8	638-648	640-642
Vienna	6	38.80-39.30	38.85-39.25
Zurich	4½	5.80-5.85	5.80½-5.82

† Basic discount. ‡ Rates given are for convertible francs; closing financial franc 56.00-56.35.

OTHER MARKETS

		Notes Rates	
Argentina	◆60.90-61.10	Argentina	155-160
Australia	1.6459-1.6520	Austria	37¾-39¼
Brazil	17.50-17.70	Belgium	85-87
Finland	8.14½-8.16½	Brazil	21-24
Greece	70.166-71.314	Canada	2.25-2.27
H'ngKong	10.96-10.9875	Denmark	12.90-13.00
Iran	144.6-146.1	France	9.30-9.50
Kuwait	0.628-0.633	Germany	5.48-5.53
Luxemb'g	82.60-82.80	Greece	68-69
Malaysia	5.4035-5.4340	Italy	1450-1500
N.Zealand	1.6986-1.7127	Japan	645-665
SaudiArbia	7.58-7.67	Neth'l'ds	5.69-5.80
Singapore	5.3560-5.3860	Norway	11.65-11.85
S.Africa	1.5247-1.5457	Portugal	55-57
U.S.—		Spain	124½-127½
Canada		Swi'z'land	5.70-5.90
C$1=		U.S.	2.17-2.20
U.S. cents	96.90-96.92	Yugosl'ia	36-38½

§ Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. ◆ Rate given is the commercial rate: financial rate 76.87-77.07.

FORWARD RATES

—	One month	Three months
New York	0.67-0.77 c.pm	2.32-2.22 c.pm
Montreal	0.70-0.60 c.pm	2.00-1.80 c.pm
Amst'dam	3½-2½ c.pm	10¼-9¼ c.pm
Brussels	35-15 c.pm	80-60 c.pm
Cop'n'hg'n	5½-3½ ore pm	13-10 ore pm
Frankfurt	3⅝-2⅝ pf. pm	10½-9½ pf pm
Lisbon	30c.pm-40 c.dis	50c.pm-80c.dis
Milan	3-8 lire dis	10-15 lire dis
Oslo	7½-4½ ore pm	15¼-13¼ ore pm
Paris	1½-½ c.pm	3½-1½ c.pm
Stockh'lm	1 ore pm-1 ore dis	4½-2½ ore pm
Vienna	30-05 gro pm	60-55 gro pm
Zurich	4-3 c.pm	10½-9½ c.pm

Six-month forward U.S. dollar 4.20-4.30c pm and 12-month 6.15-6.05c pm.

FARMING AND RAW MATERIALS

Australian wool output drop likely

SYDNEY, July 31.

DESPITE A 5 per cent. annual rise in Australia's sheep population, the country's wool production for 1975-76 was expected to decline, the National Council of Wool Selling Brokers of Australia said.

Shorn wool, including crutchings, was expected to total 724.7m. kilos greasy this season, compared with 729.1m. last season. Seasonal conditions indicate a lower cut per head for 1975-76, according to the Australian Wool Production Forecasting Committee, which met in Sydney this week.

Large regions of New South Wales, Victoria and South Australia were declared drought relief areas earlier this year, but since most of Australia's wool was shorn in spring or autumn, the impact of recent widespread rains on wool production was not expected to be realised until the 1976-77 season.
Reuter

More U.S. grain available for Russia—Bell

WASHINGTON, July 31.

ASSISTANT SECRETARY of Agriculture, Mr. Richard Bell, said that the U.S. could supply 4m. to 5m. tonnes of grain to the Soviet Union beyond current commitments, without raising domestic prices.

He disputed contentions by Senators at a permanent investigation sub-committee hearing that the Soviet crop has deteriorated further, and that sales could cause far more serious consumer price increases than predicted.

Senator Charles Percy told Mr. Bell he had information that the Soviet grain crop might now be down to 175m. tonnes, a 10m. tonne drop from the U.S. Department of Agriculture's latest estimate.
Reuter

Japanese metal price changes

TOKYO, July 31.

THE NIPPON Mining Company will raise its domestic selling price of electrolytic copper by Y10,000 per tonne, to Y400,000, from to-morrow, reports Reuter.

And another Japanese company, Mitsui Mining and Smelting, said it would lower its domestic selling prices of zinc by a uniform Y10,000 per tonne, also effective from to-morrow.

Farmers warn of threat to U.K. food supplies

BY PETER BULLEN

FARMERS WARNED yesterday that Britain was facing a decline in home food production that threatened every family in the country.

It arose from the Government's unwillingness to allow the fall in the value of sterling to be reflected in food prices, said Sir Henry Plumb, National Farmers' Union president.

He was speaking after leading a deputation of leaders from all three U.K. farmers' unions which pressed the Minister of Agriculture, Mr. Fred Peart, for urgent action to reverse the fall in food production.

By making a further devaluation of the "green pound," which governed many of the prices U.K. farmers receive under the EEC Common Agricultural Policy—in addition to last week's "totally inadequate" 5 per cent. devaluation—the Government could boost producers' returns sufficiently to halt the decline in output, the NFU argued. This would lead to a modest increase in food prices and add only a few pence per week to household food bills.

Sir Henry said: "The people of this country are being deceived. How many of them would be unwilling to pay a little more now to ensure the delivery of fresh milk and meat and the availability of British farm eggs, fruit and vegetables in the shops? Food production at home must continue to be the basis of national food security. This is now in jeopardy."

The unions called on the Government to raise the guaranteed price of milk by at least another 2.8p a gallon, in addition to the 2.2p announced last week; to *bring forward by six months hill* cow subsidy payments and to promise to initiate measures to bring the "green pound" value into line with the value of the real pound at the next EEC Council of Farm Ministers in September.

Imports bill

If the Government failed to act, the long-term result would be a scarcity of home produced foods, much higher prices and an unnecessary addition to Britain's imports bill. As an example, the NFU pointed out that milk production was falling by about 6 per cent. Butter making factories had been closed because of the shortage of milk, cheese factories whould stop operating before December and even farmhouse cheese makers had been warned to stop production before Christmas.

As a result, the U.K. would have to spend an extra £50m. on importing dairy products this year.

After seeing the deputation, Mr. Peart said advantages of the mid-term adjustment of the "green pound" should not be under-rated. He also said that, as a result of the improvement *in sterling and last week's deval*uation of the "green pound," the gap between the two would have narrowed from 20 per cent. a few weeks ago, to about 8.6 per cent. next week.

● Landowners and farmers have abandoned, or postponed 60 per cent. of planned capital investment, a survey by the Country Landowners' Association has shown. The survey, covering over 1m. acres, showed that out of nearly £11m. of investment in buildings and other improvements planned last October, just over £4m. was still intended to be spent in May. Reasons for the cut-back were the threat of Capital Transfer Tax, the general economic situation, uncertainty about farming profitability and fear of the proposed Wealth Tax.

Sugar imports row continues

BY OUR GUYANA CORRESPONDENT

GEORGETOWN, July 31.

ACP SUGAR producing countries have told Britain that they are not prepared to accept any unilateral limitation of their Lomé Convention sugar quota.

The British Government has proposed that the ACP African, Carribean and pacific states should ship only 700,000 tons during the second half of 1975, the year in which Britain is paying a premium price of £260 a ton (cif). The ACP states are arguing, however, that neither the Lomé Convention, nor the British Government's letter to them on March 14, 1975, set any limitations on the quantity which may be shipped in the second half of the year, provided the 1.3m. tons quota was not exceeded.

This is obviously the crux of the controversy, since Britain is clearly keen on limiting the amount within the Lomé quota which may enter the British market by December 31 at the premium price. Reports reaching here state that as far as the ACP states are concerned the proposal by the British Government would mean a cut of some 200,000 tons in their Lomé quota.

The ACP states apparently charged Britain during formal *talks last week with unilaterally* attempting to reopen issues which were already settled during the sugar negotiations, which took place as part of the bargaining for the Lomé agreement.

Asked by Britain to state how much the ACP states intended to ship for the rest of the year, the reply was that they intended to ship their Lomé quota. The talks clearly had little success in breaking the deadlock over the interpretation of the Lomé Convention regarding the difference between the EEC's "delivery period"—July 1 to June 30—and the December 31 deadline agreed for the British premium price. Observers are not clear, however, as to whether the ACP states are pressing as a group for the right to ship the entire Lomé quota of 1.3m. tons by December 31—in addition to the 332,500 tons already shipped by June 30 for the first-half quota. This is generally believed to be the position of some countries.

There is reason to believe, however, that other ACP states would favour a quota for the rest of the year, which would be their Lomé quota less the amount already shipped for the first half of the year. The problem here is that the ACP states are hardly expected to show a split position and they are likely to hold out for the greatest benefit which they can secure from Britain at a time when the British price is nearly £100 more than the current world price.

● ACP delegate sources told Reuter last night that the sugar producers were not trying to force maximum shipments in calendar 1975 at £260 per tonne, but were seeking an orderly sequence of deliveries. Britain had been seeking definite shipment figures from ACP countries for the second half 1975 which the producers were unable to give.

Date set for rubber talks

KUALA LUMPUR, July 31.

EXPERTS FROM member states of the Association of Natural Rubber Producing Countries (ANRPC) will meet here between August 12 and 15 to draft a rubber price stabilisation agreement, Reuter reports.

ANRPC sources confirmed the dates, provisionally set a few days ago, following postponement of the meeting from its original date in mid-July.

The expert ANRPC sub-committee on natural rubber price stabilisation was first convened in June, but this month's session was delayed to give member countries more time to make detailed studies of the project.

Indonesia, Malaysia, Singapore, Sri Lanka and Thailand agreed in principle in May to set up a joint scheme for controlling rubber price fluctuations.

Ministers of the ANRPC countries aim, if possible, to sign the agreement at a meeting in Colombo late next month or early in September, informed sources said.

● The world natural rubber deficit is expected to widen in 1975 to 75,000 tonnes from a recorded 50,000 tons in 1974, the International Rubber Study Group estimates, reports AP-Dow Jones.

Fair deal call by pig meat processors

By Our Commodities Staff

MEAT MANUFACTURERS' ASSOCIATION leaders called for further devaluation of the "green pound" when they met Mr. Fred Peart, the Minister of Agriculture, yesterday.

Last week's 5 per cent. devaluation had helped pig meat processors but if there was no assurance that the process would continue, the home industry would remain in an uncompetitive position. This would inevitably result in cessation of investment and lower employment levels, they warned.

Assocation chairman, Mr. Bill Newton-Clare said they fully backed the Government's intention for Britain to supply more food from its own resources. But little progress would be made until fair competition within the EEC was established and confidence in the future arises in the form of investment.

U.K. CEREALS

Harvest prospects disappointing

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THIS IS the time of year when almost every pundit sets out to predict the harvest. I may as well add to the general confusion.

All these assessments are subjective, mine as a farmer perhaps more so than most, but without practical experience I don't think any judgment can be seriously considered. On this basis, I think the overall harvest yield of wheat, barley and oats will be down by 15 per cent. on last year, giving a yield of 13.6m. tons as against 16m. If it was based on my own farm alone, it would be much worse. But then last year my yields were above average.

During the summer, it is usually my pleasure to walk through my growing crops of wheat and barley to monitor their progress and make fanciful estimates of their eventual yield. This year, though, I have avoided them like the plague.

I know they were planted in bad conditions and had the worst growing weather that I can remember—water-logged in the seedbed and then seven or eight weeks drought, the first half of which was accompanied by some very cold weather.

Growth stunted

The winter wheat survived moderately well, but the spring barley and oats suffered quite badly. Growth was stunted and without the rain which came here on July 8, harvest would have been nearly over by now. The results for spring sown crops would have been dismal.

However, two inches of rain followed by cooler showery weather, which retained the moisture, have saved the situation to some extent. Before it came, most of the barley on my clay land was literally dying off. Some of the later sown barley had stopped growing and was *showing little sign of ear* emergence.

The rain came just in time to revive the earlier sown crops and enabled the later sown to form their ears in a reasonable fashion.

But the growth has been most irregular. Barley plants tiller in the growing time, each seed producing up to a dozen ear bearing straws. This year many of these are immature; instead of the crops looking level right across, with barley heads almost touching, the fields have a ragged appearance and you can see the ground between the rows.

This is a clear indication of a light yield. Another sign is that, in spite of some heavy storms, practically none of its is laid, the heads not being heavy enough to pull it down. The only exceptions to this are a couple of fields where the soil is a thin layer over chalk. The chalk acts as a sponge which usually will keep the barley, and grass for that matter, growing through a drought.

This seems to be the pattern countrywide. During two journeys from Hampshire to Plymouth and again from Hampshire to the Humber, the best of the barley is on the lighter land. Parts of Salisbury plain looking particularly well, and also the Lincoln wolds. Elsewhere, the heavy land barley looks dreadful, still green, thin, and showing little in the way of ears.

The only districts from which there are favourable reports are the north east and eastern Scotland. In the latter area, farmers had almost perfect sowing and growing conditions.

To sum up, the prospects for winter wheat seem to be that al*though the crops on the whole* look well everywhere, the plant is thinner, probably because spring growth was restricted by the weather.

Foliar diseases

There have been widespread aphid attacks which may have affected yield, although this is doubtful, and there are reports of various foliar diseases which could restrict final maturity of the grain.

I doubt if any wheat has been harvested yet, but a possible indication is that farmers who have been harvesting winter barley are very disappointed with the results. This shows that, although the crops looked quite well, the drought had starved the grain of final nutriment.

What the exact effect on yield will be is impossible to say before it is harvested, but I should think it will be certainly down by 10 to 15 per cent. on the very good yields of the last two years.

On barley I am even more depressed. Even where the crop was not thinned out by a variety of causes after sowing, I just don't think there are enough ears to the acre to make a really good yield.

The actual acreage figures are not yet out, but yields per acre could be 15 to 20 per cent. down on last year, and in many cases much lower.

India plans food grains stockpile

BY K. K. SHARMA

NEW DELHI, July 31.

THE INDIAN Government has decided to set up a buffer stock of 12m. tonnes of foodgrains as a precautionary measure.

Announcing this to Parliament to-day, the Finance Minister, Mr. C. Subramaniam, said that this would be established with the help of imports.

In the first half of this year India imported 3.5m. tonnes, so further substantial imports are evidently envisaged. It is expected that the bulk of the purchases will be through commercial transactions, but it is likely that some food aid will also be sought.

The annual production of foodgrains is estimated at 114m. tonnes, of which 49m. has been obtained from the "rabi" (winter) crop.

Mr. Subramaniam said that the food position was comfortable. The proposed buffer stock was intended to meet all eventualities and to maintain price stability.

● Good rainfall in the Soviet Union's eastern spring grain lands has improved the outlook for a respectable crop from the region, possibly helping to offset a drought-hit harvest in the west of the country, according to Western analysts, reports Reuter from Moscow.

COMMODITY MARKET REPORTS

COPPER — Remained uncertain on the London Metal Exchange. A major supporting factor for copper prices—and also those of other leading metals—was the renewed weakness of sterling. On the other hand, an adverse factor was the overnight easing of copper prices in New York and a further fall in them during the earlier dealings yesterday. London prices thus closed fractionally easier on balance after three months [illegible] Turnover, 10,375 [illegible] tonnes.

Amalgamated Metal Group reported that in the morning cash wirebars traded at £584, 85, 84.5, 84, three months £601, 02, 02.5, 03, 03.5, 04, 03, 04, 03.5. Cathodes: cash £573, 73.5, 74, three months £593, 94. Kerbs: Bars: three months £604, 03.5, 03, 02.5, 02, 01. Cathodes untraded. Afternoon: Wirebars: cash £581, three months £597, 97.5, 98, £600, £601, £600, £601, £601, £601. Cathodes untraded. Kerbs: Bars: cash £581, 81.5, 81, three months £601, £600, £600.5. Cathodes untraded.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	584.5	+1	581-2	—.25
3 months	603.5-4	+1	600-1	—1
Settlem'nt	584.5	+1	—	......
Cathodes				
Cash	574-.5	+2	569-71	—.5
3 months	593.4	+2	589-90	......
Settlem'nt	574.5	......	—	......
U.S. Smt.	—	......	*60-63.7	......

TIN—Lost ground in sympathy with the setback in the Penang price, a feature of the London market being a narrowing in the contango. Turnover, 655 tonnes.

Morning: Standard: Cash £3,150, £3,145, three months £3,180, £3,175, £3,175. High Grade untraded. Kerbs: Standard: Cash £3,140, three months £3,175. High Grade untraded. Afternoon: Cash £3,145, 45, 46, late Oct. £3,185, three months £3,172, 76, 73. High Grade: Cash untraded, three months £3,170. Kerbs: Standard: Early Aug. £3,180, three months £3,172. High Grade untraded.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3145-6	—16	3146-8	—12
3 months	3173-5	—17	3170-2	—17
S'ment	3146	—17	—	......
Standard				
Cash	3145-6	—16	3146-8	—12
3 months	3173-5	—17	3170-2	—17
S'ment	3146	—17	—	......
Straits E.	$1011½	—15½	—	......
New York	—	......	*353.50	......

LEAD—Firm again, notably in the pre-market dealings which reflected the weakness of sterling. Thereafter prices settled down at slightly lower levels to close steadily. Turnover, 3,850 tonnes.

Morning: Cash £174.5, 75, three months £181, 82, 81.75, 81.5, 82, 82.75. Kerbs: Three months £182.75, 82.5. Afternoon: Cash £174, three months £182, 80.5, 81, 82, 81.5, 81, 81.5. Kerbs: All carries.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	174.75-5.25	+1.75	174-.5	+2
3 months	182-.5	+1.5	181-.5	+1.87
S'ment	175.25	+1.75	—	......
N.Y. Spot	—	......	19-22½	......

ZINC — Advanced afresh under the impact of renewed "chart" buying; the fall in sterling; and vague talk of a possible increase in the producer price. The last-named factor was not given much credence and the market subsequently reacted on profit-taking, but still closed with further gains of £2.50 on the day. Turnover, 5,475 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	335.5-6	+7.5	331.5-2	+2.5
3 months	345.5-6	+8	[illegible]	+2.5
S'ment	336	+7.5	—	......
Prm. West	—	......	*381½-9	......

Morning: Cash £335, 35.5, three months £345, 44, 44.5, 45, 45.5. Kerbs: Early Sept. £341, three months £346, 46.5, 46. Afternoon: Cash untraded, three months £344, 42, 43, 42, 41, 40, 41, 42, 42.5, 42, 41.5, 42. Kerbs: Three months £340.5.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 3.5p an ounce lower for spot delivery in the London bullion market yesterday at 233.0p. U.S. cent equivalents of the fixing levels were: Spot 500.3c (513.9c), three-month 510.1c (523.9c), six-month 519.8c (533.9c), and 12-month 542.4c (557.1c). The market was active throughout the day with the metal opening at 230-231p (497-501c) and rising to 234.7-235.7p (503½-506½c) before easing to 229.7-230.7p (493½-496½c) in the afternoon. The close was 231-232p (497½-500c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	233p	—3.5	232.3p	—0.7
3 months	240p	[illegible]	239.0p	—0.6
6 months	246.8p	—3.25	—	......
7 months	—	......	247.75p	—0.6
12 months	262.3p	—3.6	—	......

LME—Turnover 156 (214) lots of 10,000 ozs. Morning: Cash untraded, three months 241.2, 40.5, 40.7, 40.4, 40.2, 40.5. Kerbs: Three months 240.0, 39.3, 39.0, 38.5, 38.0. Afternoon: Three months 239.8, 39.5, 40.0, 40.2, 38.8, 39.0. Kerbs: Three months 239.0, 39.2, 38.0, 37.5, 37.2, 37.3, 37.0, 37.2, 37.5.

COCOA

Prices eased throughout the day in quiet featureless conditions, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No4 Contract			
July	—		—
September	602.0-03.0	—12.75	614.0-01.0
December	576.0-76.5	—15.25	590.5-74.0
March	562.5-63.0	—12.75	579.0-60.0
May	562.0-63.0	—11.0	576.0-63.0
July	560.0-62.0	—12.5	576.0-63.0
September	560.0-62.0	—7.0	574.0

Sales, 1,691 (1,977) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 56.41 (55.27) U.S. cents per pound; indicator 15-day average 55.63 (55.07); 22-day average 52.80 (52.29).

FREIGHTS

DRY CARGO—Volume of chartering again failed to expand, with fresh enquiry extremely slow to develop. Grain shippers, however, fixed cargoes from U.S. Gulf to Netherlands at $5 f.i.o. for prompt loading and from Toledo to Antwerp at $12.50 f.i.o. for Aug., also from U.S. Gulf to W. Coast Mexico at $11.30 f.i.o. for Aug.

A cargo of grain was also covered from Northern Range to Casablanca at $9 f.i.o. for Aug. A cargo of agricultural products, 13,000 long tons, from Port Sudan to Italy paid $165,000 f.i.o. for Aug.

In the ore section, business developed from Tubarao to Musel at $3.20 f.i.o. for Aug.-Sept.

Timecharterers arranged a vessel of 51,000 long d.w.t. for six months' trading at $1.30 delivery passing Sicily Aug., and a vessel of 26,882 long d.w.t. for a voyage from Singapore to Montreal/Galveston range at $3. Aug.

OIL TANKERS—Very quiet day with few inquiries. If anything, the market turned slightly weaker and this is expected to be the trend in August.

COFFEE

Robusta terminal was steadier at first on a combination of weaker sterling against the dollar, last night's rally in New York and unconfirmed reports that Salvador had increased export registrations.

Prices drifted lower in the afternoon under commission house selling, but dealer buying and shortcovering at the close saw the market finish on a steadier note. Arabicas closed 130 points to 65 points higher.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
September	751.0-2.0	+22.0	754.0-42.0
November	750.0-2.0	+18.5	755.0-42.0
January	751.0-2.0	+21.0	755.0-42.0
March	751.0-2.0	+18.5	755.0-42.0
May	751.0-2.0	+17.5	755.0-45.0
July	753.0-4.0	+17.5	757.0-47.0

Sales: 1 077 (837) lots of 5 tonnes.

Latest published ICO indicator prices, U.S. cents a pound. Colombian Mild Arabicas 101.50 (102.00). Other Mild Arabicas 82.00 (same). Unwashed Arabicas Santos Fours unavailable (same). Robustas 75.75 (same). Daily average unavailable.

ARABICA CONTRACT (in order buyer, seller, sales): Aug. 89.00-89.40, 1; Oct. 88.30-88.50, 19; Dec. 89.70-89.90, 6; Feb. 91.30-91.80, nil; April 92.40-92.60, nil; June 93.30-94.20, nil; Aug. 94.20-95.20. Sales: 21.

RUBBER

ABOUT UNCHANGED opening on the London physical market. Little interest throughout the day, closing firm on sterling weakness. Lewis and Peat reported a Malaysian godown price of 140 cents a kilo (buyer, August).

No. 1 R.S.S.	Yesterday's close	Previous day's close	Business done
Sep.	37.00-38.50	36.25-37.25	—
Oct.	37.50-38.50	36.50-37.25	—
Oct.-Dec.	37.45-37.70	36.85-36.90	37.20-36.80
Jan.-Mr.	37.70-37.75	37.15-37.20	37.75-37.10
Ap-Jun.	[illegible]	37.90-37.95	38.55-37.95
Jy-Sept	39.30-39.35	38.75-38.95	39.50
Oct-Dec	40.05-40.10	39.55-39.65	40.60-39.50
Jan-Mr	40.65-40.70	40.25-40.40	40.50-40.40
Ap-Jun	41.10-41.25	40.50-40.80	—

Sales: 163 (98) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 36.5p (35.5p); Sept. 38.25p (30.1p); Oct. 31.0p (30.75p).

SOYABEAN MEAL

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
August	81.5-82.0	—1.7	—
October	[illegible]	—1.55	83.2-82.5
December	82.3-82.5	—1.6	[illegible]
February	[illegible]	—1.5	84.3-83.6
April	84.5-84.7	—1.5	—
June	85.5-85.7	—1.4	—
August	86.0-88.8	—1.05	—

Sales: 91 (164) lots of 100 tonnes.

GRAINS

THE BALTIC—Markets were rather mixed with erratic price movements dictated by currency and early uncertainties in U.S. markets.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent. August £86.50, Oct. £86.85, Nov. £86.85 transhipment east coast. EEC milling August £80.25, Sept. £82.25 sellers, transhipment east coast. Maize—No. 3 Yellow American/French August £65.25 transhipment east coast. South African white, August-Sept. £60.50, Glasgow nominal. South African yellow, August-Sept. £60.00, Glasgow seller.

Barley—EEC Feed August £58.25, Sept. £60.00, Oct. £61.25 east coast. Rest unquoted.

MARK LANE—The price trend softened slightly under increased offerings prompted by easier international markets. Hagberg 180 milling wheat traded to the London area at £62.25 and £62 for Sept. delivery and at £65 for Oct.-Dec. deliveries. Denaturable wheat traded to London at £59 per long ton for Sept. delivery. Average sellers quotations per long ton for delivery London area: Wheat Hagberg Sept. 62, Oct.-Dec. 65; denaturable Sept. 59. Barley feed unquoted.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: Sept. 60.00, Nov. 62.65, Jan. 64.90, March 66.65, May 68.20. Business: Sept. 59.90-59.65, Nov. 62.55-62.20, Jan. 64.75-64.50, March 66.50-66.30, May 68.30-68.00. Barley, steady. Close: Sept. 58.35, Nov. 60.60, Jan. 63.00, March 64.80, May 66.20. Business: Sept. 58.35-57.95, Nov. 60.75-60.50, Jan. 63.00-62.60, March 64.60-64.50, May 66.15-66.10.

HGCA—Location ex-farm spot prices: Soft milling wheat—Cambridge £57.10. Feeding barley—Cambridge £53.35; Wales £53.90.

SUGAR

LONDON DAILY PRICES (raw sugar) lower at £188 a ton c.i.f. for July-August shipment. White sugar daily price was fixed at £205 (£215) a ton.

After some initial stoploss liquidation, values gained on short-covering. However, during the afternoon New York opened at limit-decline and large selling pools were formed. London then eased sharply and closed at the lows of the day, C. Czarnikow reports.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Oct.	169.50-69.75	182.00-82.50	184.00-69.00
Dec.	166.75-67.00	179.50-79.50	180.50-68.50
March	165.50-66.00	178.00-78.50	180.00-65.50
May	165.25-64.50	173.50-78.00	172.00-64.00
Aug.	162.50-63.00	174.50-74.50	171.00-67.00
Oct.	162.50-63.00	175.00-74.00	168.50-65.00
Dec.	162.00-65.00	—	—

Sales: 4,514 (6,050) lots of 50 tons.

Tate and Lyle ex-refinery price for granulated basis white sugar was £250 (same) a long ton for home trade and £280 (£300) a long ton for export.

EEC IMPORT LEVIES—For white and raw sugar, denatured and non-denatured, effective August 1. Figures in units of account per 100 kilos (previous in brackets): White—0.25 (nil). Raw—nil. (nil)

WOOL FUTURES

LONDON—Market steady, more active. (Price per kilo)

Australian Greasy wool	Yesterday's close	+ or —	Business Done
October	163.0-64.5	+2.25	163.0
December	167.0-68.0	+1.0	—
March	172.0-74.0	+1.0	—
May	174.5-75.5	+0.5	—
July	177.5-79.0	+0.5	—
October	181.5-82.0	+1.75	181.0
December	186.0-88.5	+0.25	184.0

Sales: 67 (nil) lots of 1,500 kilos.

BRADFORD WOOL—Business relatively quiet, partly explained by the holidays. Of concern was the future outlook. Order books are often said to be almost empty, with new buying lacking. Quoted prices are static with some inquiry and a little business at uneconomic prices, compared with replacement costs.

SYDNEY GREASY (in order, buyer, seller, business)—Oct. 251.0-251.2, 251.5-250.5; Dec. 256.0-256.5, 257.1-256.0; March 261.5-261.9, 262.4-261.5; May 263.4-263.9, 264.0-263.2; July 264.5-265.0, 266.0-266.0; Oct. 266.0-266.5, 267.4-267.4; Dec. 266.0-266.5, 268.4-266.4. Sales: 148.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on July 31: U.K.—Cattle £17.79 per live cwt (—0.33); Sheep 31.3p per pound e.d.c.w. (—1.2); Pigs £4.26 per sc. l.w. (—0.04). England and Wales—Cattle numbers up 13.3 per cent., average price £18.35 (—0.69); Sheep down 9.1, 31.9p (—1.0); Pigs down 20.1, £4.28 (—0.04). Scotland —Cattle up 16.6, £16.44 (+0.08); Sheep down 4.9, 28.4p (—2.3); Pigs nil.

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 27.0 to 32.0. Eire hindquarters 35.0 to 37.0, forequarters 16.0 to 18.0.

Veal: English fats 36.0 to 42.0, higher quality 45.0, bobbies 5.0 to 11.0, Scotch bobbies 6.0 to 12.0, Dutch hinds and ends 54.0 to 58.0.

Lamb: English small 30.0 to 34.0, medium 29.0 to 32.0, heavy 27.0 to 30.0. Scotch medium 29.0 to 32.0, heavy 26.0 to 30.0. Imported frozen: New Zealand D's 26.5 to 29.0, 2's 28.0 to 29.0, 8's 27.0 to 29.5, YLs 26.5 to 27.0.

Ewes: 12.0 to 13.0.

Pork: English, under 100 lbs 26.0 to 32.0, 100-120 lbs 26.0 to 31.0, 120-160 lbs 26.0 to 29.5, 160-180 lbs 25.0 to 27.5, 180 lbs and over 24.0 to 26.0.

COVENT GARDEN (prices in sterling)—Imported produce: Oranges—Brazilian: 2.10-2.20; South African: 2.50-2.90; Californian: 2.80-3.00. Grapefruit—South African: 3.00-4.20; Californian: 4.00-4.20. Lemons—Italian: 5.40-5.60; South African: 3.80-5.10. Apples—South African: Granny Smith 5.40-5.50; New Zealand: Granny Smith 5.40; French: cartons, Golden Delicious 20 lb 3.10-3.23; Tasmanian: Democrats 5.00 Crofton 5.80, Sturmer 5.50; Western Australian Granny Smith 5.30-5.40. Pears—Italian: Dr. Jules Guyet per pound 0.08-0.10; French: per 28 lb 2.40. Bananas—Windward Islands: per 28 lb 2.70; Jamaican: 2.60. Grapes—Cypriot: per 18 lb Sultana 2.50-2.60; Italian: Regina Nieti approx. 28 lb 1.70. Peaches—Italian: per 1½ trays 2.00-2.80. Plums—Spanish Santa Rosa 1.60-2.00.

English produce: Lettuces—per 12 round 1.00, cos 1.40. Cucumbers—per tray 12 1.00, 14 1.50, 16 1.50, 18 1.80. Potatoes—per 56 lb Cornish/Kent 2.50-2.80. Celery—per 12 to 24 1.40-1.50. Peas—per 25 lb 3.60. Mushrooms—per pound 0.20. Cabbages—per bag, Primo 0.80. Marrows—per 18 0.80. Cherries—per pound black 0.35, white 0.25. Cauliflowers—per 12 0.80-0.90. Carrots—per 28 lb 0.50-0.70. Beetroots—per 28 lb 0.80. Tomatoes—per 12 lb 1.50-1.70. Runner Beans—per pound 0.12-0.15. Onions—per 56 lb 3.00. Apples—per pound Grenadiers 0.09-0.10.

JUTE

LONDON—Quiet. Bangladesh White "C" grade July-Aug. £195. Bangladesh White "D" grade July-Aug. £188. A long ton.

CALCUTTA—Steady. Indian July Rs470, *Dundee Daises July Rs425 values.* A bale of 400 lbs.

DUNDEE—Quiet. Prices c. and f. U.K. for Aug.-Sept. shipment: BWB £196, BWC £189, BWD £182. Tossa: BTB £197, BTC £190, BTD £183. Calcutta goods steady. Quotations c. and f. U.K. for August shipment: 10-ozs 40-inches £7.08 and £5.32, September £7.23 and £5.60. "B" twills: £21.49 and £21.66 for the respective shipment periods. Yarns and cloth prices irregular.

COTTON

LIVERPOOL COTTON—Spot and shipment sales amounted to 133 tonnes, bringing the total for the week so far to 1,290 tonnes. Renewed interest was shown in numerous growths, although offtake was somewhat smaller. Most attention centred on Latin American qualities, with continuing support in Turkish and Russian varieties, F. W. Tattersall reports.

COPRA—Philippines: August-Oct. $250 resellers per tonne c.i.f. North European ports

U.S. Treasury bills futures market move

WASHINGTON, July 31

COMMODITY FUTURES Trading Commission chairman, Mr. William Bagley, promised to act rapidly on the application of the International Monetary Market of the Chicago Mercantile Exchange for designation of a futures market in Treasury bills.

"By designating a market for Treasury bills, the Commission may well be providing additional stability to the banking and corporate borrowing communities which participate in the mortgage market," he said.
Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

	July 31 1975	+ or —	Month ago
Metals			
Aluminium (a)	£596	......	£596
Free Market cif	£525-555	......	£505-515
Copper §			
Cash Wire Bars (u)	£581.5	—0.25	£566
3 month do. do. (u)	£600.5	—1.0	£574.75
Cash Cathode (u)	£570	—5	£544.5
3 months do. (u)	£589.5	......	£563.25
Gold Troy oz.	$166.9	—0.1	$165
Lead Cash (u)	£174.25	+2	£163.5
3 months (u)	£181.25	+1.875	£169.25
Nickel (u)	£1,958	......	£1,958
Free market cif (lb)	$1.75-.80	......	$1.85-.95
Platinum (troy oz.)	£79-83½	......	£72-76½
Free Market	£79.5	+0.7	£69-75
Quicksilver (76lb) (r)	$118-119	......	$112-118
Silver Troy oz.	233p	—3.5	206.4p
3 months	240p	—3.25	211.8p
Tin Cash (u) §	£3,147	—12	£3,116
3 months (u)	£3,171	—17	£3,097.5
Wolfram 22.04lb. cif	£40-41.5	......	£37-38.5
Zinc Cash (u) §	£331.75	+2.5	£327.5
3 months (u)	£341.75	+2.5	£317-75
Producers (u)	£360	......	£360
Oils			
Coconut Malayan	‡	......	£160*
Groundnut			
6%	‡	......	£527
Linseed Crude (r)	£447	+20	£435
Palm Malayan (s)	‡	......	‡
Soyabean (s)	‡	......	‡
Seeds			
Copra Philipp ton	$250v	—15	$235
Gr'nuts Nigerian	‡	......	‡
Linseed Can. No. 1	‡	......	‡
Grains			
Barley EEC	£58.35	—0.75	£52.5
Home Futures	£58.35	—0.05	£56.45
Maize			
French No.3 Am.	£65.25k	+1.5	£55.5
S.A. Yellow	£60.0k	......	£55
Wheat			
No. 1 Red Spring	‡	......	‡
No.2 Hard Winter	‡	......	‡
Australian (f.a.q.)	‡	......	‡
English Milling	£62r	......	£57
Cocoa Shipment (u)	£697	—12.5	£599.5
futures Sept. (u)	£602.5	—12.75	£507.75
Coffee Shipment (c)	‡	......	‡
futures Sept. (Ulb)	£751.5	+22.0	£461.25
Cotton 'A' Index cent	54.9	+0.1	54.05
Jute LJABWC (d)	£195	......	£200
Rubber kilo	36.0p	+0.5	31.75p
Sisal EA3L (u)	$600	......	$600*
Sugar (raw)	£190	—25.0	£150
Wooltops 64s kilo	186p	......	190p
Cloves (Madagaska)	£2,550	......	£2,400
Pepper White ton	£885	—7.5	£870
Black ton	£680	—10.0	£655

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation h August. k Aug.-Sept. u Metric tons. r September. v Aug.-Oct. s July-Aug. t Nov. q May-June. w Nov. Jan.

FINANCIAL TIMES

July 31	July 30	Month ago	Year ago
177.35	177.46	158.96	213.35

(Base: July 1, 1952=100)

REUTER'S

July 31	July 30	Month ago	Year ago
1159.8	1151.2	1071.9	1288.3

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	July 31	July 30	Month ago	Year ago
Spot	305.62	314.51	269.38	384.40
Futures	287.17	291.04	248.12	345.46

(Average 1924-25-26=100)

MOODY'S

Moody's	July 31	July 30	Month ago	Year ago
Sple Comm'ty	778.6	788.6	729.7	857.4

(Dec. 31, 1931=100)

GRIMSBY FISH—Supply fair, demand good. Prices per stone at ship's side, unprocessed: Shelf cod £1.70-£2.20, codlings £1.60-£2.00; large haddock £2.80-£3.20, medium £2.40-£2.60, small £1.90-£2.20; large plaice £3.40, medium £3.40, best small £3.00; large skinned dogfish £3.80, medium £3.50; coalfish 90p-95p; rockfish £1.10-£1.30; lemonsoles £4.00; reds 80p-£1.00.

U.S. Markets

Limit fall in sugar, cocoa off

NEW YORK, July 31.

SILVER edged higher in featureless trading while continued trade dealing forced copper lower. Cocoa closed sharply lower. Sugar opened and closed limit-down with large pools. Chicago grains closed lower in bean and maize on commercial hedge selling and expectations of favourable week-end weather. Wheat finished higher on local short-covering, Bache reports.

Cocoa—Ghana spot 78 nom. (78 nom.), Bahia spot 61 nom. (63 nom.). Sept. 56.30 (58.40), Dec. 52.43 (54.03), March 50.60, May 49.85, July 49.75, Sept. 49.15, Dec. 48.95. Sales: 1,057.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: Sept. 84.10-84.00 (83.45), Nov. 82.00 (81.25), Dec. 80.95-80.90, March 80.85-81.00, May 82.20-82.33, July 82.63 nom. Sales: 382.

Copper—Aug. 57.50 (56.20), Sept. 57.90 (56.60), Oct. 58.30, Dec. 58.60 settlements. Sales: 2,030 lots.

Cotton—Oct. 49.75 (49.60), Dec. 50.00-50.10 (49.92), March 51.03, May 51.65-51.68, July 52.25-52.45, Oct. 52.65 bid, Dec. 50.90 bid. Sales: 3,164.

♣Gold—Aug. 167.60 (167.90), Sept. 169.00 (169.40), Oct. 170.50, Dec. 173.40, Feb. 176.50, April 179.60, June 182.60, Aug. 185.50, Oct. 188.40, Dec. 191.30. Sales: 1,602.

Greasewool—Spot 141.5 nom. (142.5 nom.). Oct. 140.0-146.0 (142.0), Dec. 143.3-149.0 (146.0), March 146.0-148.0, May 146.0-145.0, July 146.0-150.0, Oct. 146.0 bid, Dec. 146. bid. 0

††Lard—Chicago loose 36 nom. (same). NY prime steam 37½ nom. (35½ nom.).

†Maize—Sept. 287½-288½, Dec. 277-277¼, Dec. 277-277¼, March 284-284½, May 287½-288, July 289.

‡Platinum—Oct. 173.70 (172.90), Jan. 178.20 bid (177.30), April 183.10, July 187.20 asked, Oct. 191.80 asked. Sales: 266.

‡‡Silver—Spot 496.00 (502.50), Aug. 501.20 (497.70), Sept. 505.30 (501.50), Oct. 503.70, Dec. 519.10, Jan. 523.50, March 532.20, May 540.30, July 548.30, Sept. 556.30, Dec. 568.30. Sales: 9,299.

*Soyabeans—Aug. 580-579 (595½), Sept. 583-582 (597), Nov. 587-585½, Jan. 593-594, March 604-601, May 607, July 609½, Aug. 609.

bSoyabean Meal—Aug. 130.50-130.00 (130.60), Sept. 133.50-134.00 (134.00), Oct. 137.00-137.50, Dec. 142.00, Jan. 143.50, March 147.50-146.00.

Soyabean Oil—Aug. 27.35-27.40 (28.37), Sept. 26.20-26.25 (27.03), Oct. 25.15, Dec. 24.05-24.00, Jan. 23.60, March 23.30, May 23.00, July 22.70, Aug. 22.40.

Sugar—Spot 16.50 (17.25), Sept. 17.00 asked (18.09), Oct. 16.54 asked (17.54), Jan. 16.90 asked, March 15.76 asked, July 15.62 asked, Sept. 15.50 asked, Oct. 15.46. Sales: 952.

Tin—320.00-385.00 nom. (321.00-389.00 nom.).

**Wheat—Sept. 366½-367 (363½-365), Dec. 380-381 (377½-380), March 392-391, May 394-395.

WINNIPEG, July 31. ††Rye—July 255 asked (263), Oct. 254½ (257½), Dec. 250½ asked, May 257 asked.

cOats—July 162½ bid (168), Oct. 161½ bid (167), Dec. 156½ asked, May 160 nom.

§Barley—July 250 asked (255), Oct. 247½ (250), Dec. 243 asked, May 243 nom.

Flaxseed—July 799 (812), Oct. 780 bid (810), Nov. 767, Dec. 755 bid, May 755 asked.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 533 (532½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. ♣ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

COMPANY NOTICES

NORTH ATLANTIC WESTBOUND FREIGHT ASSOCIATION
NORTH ATLANTIC UNITED KINGDOM FREIGHT CONFERENCE

NOTICE TO SHIPPERS AND CONSIGNEES

INLAND CHARGES IN ENGLAND, SCOTLAND AND WALES

Member lines of the North Atlantic Westbound Freight Association and the North Atlantic United Kingdom Freight Conference wish to advise that the tariff of charges applied by member lines on inland transport on full container load traffic moving in England, Scotland and Wales to and from Atlantic ports of the USA within respective ranges of the above named conferences has been restructured and a new scale of charges will be implemented on 1st September 1975.

The restructuring of the inland tariff is not representative of a general increase and was undertaken for technical reasons only and is designed to provide a more consistent and rational basis of rating. However, whilst basically the current level of charges is maintained, adjustments of grid rates have in some instances resulted in a decrease and in other instances a small increase. The opportunity has also been taken of incorporating in the republished tariff, terms and conditions governing the basis of acceptance and inland transportation of traffic in Northern Ireland and the Irish Republic.

Further details may be obtained from any of the undernoted member lines.

WESTBOUND
American Export Lines Inc.
Atlantic Container Line G.I.E.
Atlantic Gulf Service A.B
Bristol Channel Line Ltd.
Combi Line
Dart Container Line Co. Ltd.
Hapag-Lloyd AG
New England Express Line NV
Sea-Land Service Inc.
Seatrain International S.A.
United States Lines Inc.

EASTBOUND
American Export Lines Inc
Atlantic Container Line G.I.E.
Dart Container Line Co. Ltd.
Hapag-Lloyd AG
New England Express Line NV
Sea-Land Service Inc.
Seatrain International S.A.
United States Lines Inc.

1st August 1975.

74, ST. JAMES'S STREET
LONDON, SW1A 1PS

STOCK EXCHANGE REPORT

Equity drift continues and markings fall below 4,000

Index loses 5.2 more to 283.3—Gilts and Golds ease afresh

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 14	July 24	July 25	Aug. 5
July 28	Aug. 7	Aug. 8	Aug. 19
Aug. 11	Aug. 20	Aug. 21	Sep. 2

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Worries about sterling was the major influence in another dull session in stock markets yesterday. A measure of the lack of investor confidence was the further fall in official markings to 3,718 (only 2,936 in London): this is one of the lowest totals for a normal day's trade since the war and brings the daily average this week so far to below 4,500.

British Funds sustained fresh losses to 3/16 in the shorts, while mediums and longs were generally ¼ to ½ lower and occasionally more. The Government Securities index fell 0.28 to 60.14 for a three-day loss of 0.95.

The pattern in leading equities was similar to the previous two days, quiet and hesitant at the opening with jobbers waiting for a lead from Gilts. With the latter showing a further nervous decline, the fall in equities also gathered pace so that by noon the F.T. 30-share index, which was 1.1 down at 10 a.m., had lost 5.8. The lowest of the day was reached by 2 p.m. when the index was 6.7 down and a late technical rally finally left it a net 5.2 lower at 283.3.

Gilts remain dull

A few features developed on account of trading news, with Reed International adding to Packaging and Paper's recent gloom with a poor first-quarter trading statement; the F.T.-Actuaries share index for the subsection lost 2 per cent., to 78.08, compared with a fall in the All-Share index of 1.2 per cent. to 124.03.

Sterling worries were again clearly evident in Gilt-edged and the resulting unsettlement was further aggravated by rumours of pending U.S. Prime Rate increases. A subsequent rally in sterling promoted a minor rally but in the after-hours' business the trend was looking easier again. Interest throughout was rather sporadic but sufficient stock was offered to lower the longs by ¼ at one stage before a close of ½ lower, while several mediums and shorts were ½ down. Low-coupon shorts were more resilient than high-coupon maturities. Corporations came into line with the main funds and lost a point in places.

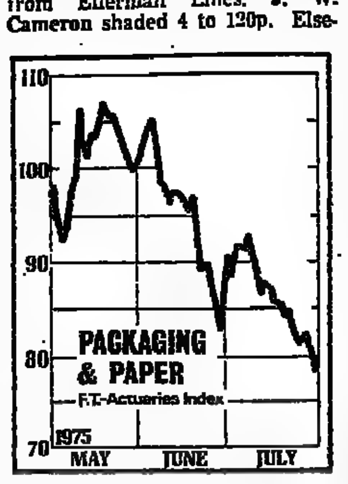
Early firmness in the investment currency market was attributed to sterling's early weakness, but the premium, after rising to 86½ per cent., reacted to close only ½ higher on the day at 85¼ per cent. Yesterday's SE conversion factor was 0.6518 (0.6475).

Barclays dip and rally

The half-year profits of Barclays were considered slightly disappointing and concluded a poor interim report season for the big four Banks. Standing at around 240p ahead of the figures, Barclays dropped to 233p before rallying to close at 240p for a net loss of 5 on the overnight level. National Westminster ended 7 lower at 185p, while Midland receded 5 to 225p and Lloyds 3 to 185p. Overseas issues tended mixed with Standard and Chartered, still showing concern over its substantial Nigerian interests, shading 5 more to 440p, after 435p. Hong Kong and Shanghai rallied 8 to 203p.

Lack of support was the cause of a further lengthy list of falls in Insurances. Sun Alliance lost 7 to 370p, while Commercial Union, 141p, and Pearl, 184p, both shed 4.

With sentiment helped by favourable Press comment, Arthur Guinness were speculatively supported up to 112p before closing 3 better on balance at 106p in irregular Breweries. Allied cheapened 2 to 37p on lack of support and, following details of the agreed 125p cash bid terms from Ellerman Lines, J. W. Cameron shaded 4 to 120p. Elsewhere, news that the whisky export price had been raised by 50p per case failed to stimulate Distillers which receded 5 to 107p.



Building and Construction issues made another poor showing, sentiment still being affected by the dismal outlook for the industry. Marchwiel were lowered 4 to 72p, while Taylor Woodrow, 234p, and R. Costain, 172p, gave up 6 and 7 respectively. John Laing "A" eased 3 to 97p as did Tarmac to 111p.

William Ransom were a good late spot in Chemicals, rising 7 to 58p on the substantially improved profits. Elsewhere, Laporte eased 2 to 82p and ICI 3 to 247p, after 245p.

A.T.V. "A" 2 off at 35p, were an isolated dull spot in Television issues.

Burton Group "A" featured listless Stores, falling 7 to 35p on some fairly sizeable selling. Marks and Spencer closed without alteration at 94p, after 92p, but Debenhams, 64p, UDS, 78p, and "Gussies" "A," 149p, all finished 2 cheaper, while losses of 4 were sustained by Hepworth "B," 32p, and I. J. Dewhirst, 46p. On the other hand, Wallis and Co. (Costumiers) hardened 2 to 40p on the increased earnings. After touching 48p following the results, Forminster finished 2 better on balance at 46p. Church reacted 3 more to 85p in quiet Shoes.

Business remained very slow in the Electrical leaders, which lost further ground but finished above the day's worst. The prospect of a 15 to 25 per cent. cutback in Post Office telephone equipment orders helped to upset suppliers Plessey, 64p, and GEC, 115p, after 111p, which closed with declines of 3 apiece, while Press comment on the Post Office's dispute with telephone cable suppliers left BICC 2 off at 105p, after 103p. Thorn Electrical "A" receded 4 to 150p, although EMI ended only a shade easier at 165p, after 163p, and Reyrolle Parsons managed to harden a penny to 41p. Elsewhere, Wholesale Fittings edged up 2 to 50p in response to the increased profits, but the "rights" offer proposal brought a reaction of 3 to 30p in Crellon.

Although conditions were generally rather listless in the Engineering sector, the leaders drifted lower throughout and finally sustained sizeable falls. For example, GKN, 202p, and Tube Investments, 232p, both closed 10 down, while Hawker shed 6 to 246p and John Brown 4 to 46p. Babcock and Wilcox reacted to 87p before a recovery to 89p for a net fall of 4, APV lost 5 to 188p and Weyburn a similar amount to 198p, the last-named in a restricted market. Frederick Cooper held at 8p despite the reduced profits and, on news at the annual meeting that orders were significantly higher, Anderson Strathclyde rallied from 102p to end only 2 off at 106p.

Among quiet Foods, J. B. Eastwood closed 2 cheaper at 43p on the £6½m. turnround from profit into loss. A. G. Barr were marked down 7 to 90p in a restricted market on the interim dividend omission and first-half loss, while Fitch Lovell reacted to 45p on the profits setback before closing unchanged on the day at 47p. Morgan Edwards were quoted ex the "rights" issue yesterday at 36p, down 2½, while the new nil-paid shares opened and closed at 5p premium. Small buying raised B. Matthews 3 to 27p.

CCH Investments receded 3 to a 1975 low of 16p in Hotels and Caterers where Grand Metropolitan, 57p, and Trust Houses Forte, 91p, gave up 2 and 3 respectively.

Reed Intl. depressed

A much-worse-than-expected first-quarter fall in profits brought marked depression in Reed International, which ended 13 down at 180p, after 174p. Other miscellaneous Industrial leaders also partially recovered after fresh initial falls but closed with only marginal net losses. Bowater, awaiting to-day's interim dividend announcement, closed just a penny cheaper at 133p, after 131p. Beecham were finally 3 off at 267p, after 264p, and Reckitt and Colman recorded a loss of 7 at 288p. Elsewhere, De La Rue followed Wednesday's fall of 16 on the sharply lower first-quarter profits with a fresh loss of 7 to 135p. The passed interim dividend and sharp half-time profits setback left Viscose Development 3 down at 15p. IC Gas lost 10 to 328p, but Smiths Industries, after reacting to 91p on the poor response to the "rights" offer, picked up to finish unaltered at 94p. Dubee-Combex-Marx hardened 2 to a high for the year of 106p on news of the substantial Russian deal. Dealings in Grovebell Group, 30p, were temporarily suspended yesterday at the company's request pending publication of reorganisation details.

Motors and Distributors passed an uneventful session and movements of any consequence were few and far between. In Garages, Manchester closed a shade harder at 8p following further consideration of the interim statement.

Newspapers became vulnerable as selling pressure revived and Thomson closed 6 down at 149p, Associated fell 5 to 81p and Liverpool Post 4 to 58p. A reactionary trend was also evident in Paper/Printings where DRG gave up 3 to 89p and Bunzl Pulp 2 to 75p. Clyde Paper were lowered 3 to 8p on country selling. Elsewhere, reduced profits took 2 off Routledge and Kegan Paul, at 48p.

MEPC rally

Reassuring Press comment regarding Wednesday's rumours of heavy Australian losses induced some "bear covering" in MEPC, which closed 4 better at 77p, after 78p. Other leading Properties managed to recover marginally after the recent depression, with Land Securities ending a net 2 firmer at 140p, after 142p, and British Land, a fraction up at 14p. Secondary issues, however, continued to display an easier bias. Hammerson "A" receded 10 to 305p and Property Holding and Investment 5 to 155p, while declines of 4 were recorded in Chesterfield Properties, 103p, New London Properties, 158p, and Imry Property, 193p. Losses of 3 occurred in Keith and Henderson, 39p, and Bernard Sunley, 127p, but Nolton Estates put on 3 to 52p and Montague Burton Property 2 to 26p. Among Overseas issues, the Australian Lend Lease, reflecting the better-than-expected results, improved 8 to 230p, but the Hong Kong-based Hutchison Properties receded 5 to 60p.

Oils continued out of favour with buyers and light selling producing fresh falls ranging to 6 in British Petroleum, at 472p, after 470p. Likewise, Shell came back to 284p before a close of 286p, down a net 3, but Burmah hardened 1 to 28p. Second-thoughts about the first-quarter figures saw Tricentrol slip 2 to 40p. Canadian issues rallied again, Pan Ocean picking up 30 to 790p and Sunningdale a similar amount to 425p.

Overseas Traders presented a mixed appearance. After Wednesday's good recovery, Paterson Zochonis slipped back 20 to 320p. Anglo-Thai shed 3 to 104p and Lonrho 2 to 117p, but South African Distilleries and Wines improved 10 to 350p. Also in firmer vein were Inchcape, 4 better at 362p, and Agar Cross, 1½ up at 13p.

Further profit-taking saw Furness Withy droop again to touch 220p before a good "after-hours" rally left the shares a penny better on the day at 236p in otherwise idle Shippings.

Textiles displayed no set trend after a small trade. Courtaulds lacked support and ended a penny off at 110p, after 109p, while John Haggas lost 10 to 210p in a restricted market. Bulmer and Lumb, however, were marked 1 higher to 20p, after 18p, on the chairman's bullish remarks at the AGM, and Stirling Knitting closed a shade firmer at 12½p on the results.

Still reflecting disappointment with Tuesday's interim performance, Bats shed 7 more to 283p for a three-day decline of 12. Imps shaded a penny more to 62p.

The appearance of a few small buyers helped Plantation Holdings improve 2 to 40p in quietly firm Rubbers where Guthrie edged forward a penny to 151p. Teas closed mixed with Peacock Sasini 2 dearer at a 1975 high of 31p, but Clairmace 2 lower at 46p.

Mines mark time

Mining markets, generally, did little more than mark time in quiet trading conditions. In the absence of any sizeable change in the bullion price, Golds tended to ease following some small offerings of stock overnight from New York, but there were also sufficient "cheap" buyers about to cushion price falls.

The final result was a scattering of small losses which produced a fall of 2.8 to 358.3 in the Gold Mines index. The closing metal price was down 10 cents on the day at $166.90.

Among the falls, East Rand Proprietary lost ¼ to £10 following news of the pressure burst at the mine. President Brand (£24) and the subsidiary Free State Saaiplaas (236p) were unchanged in front of the news that the former's four-year-old, but still unused, uranium plant, is to be commissioned.

In Financials, the U.S. gold investment company, ASA, eased £1¼ to £30, while smaller losses were seen in other issues. Minorco, however, rose another 6 to 278p on consideration of the recent recovery in the price of copper, a factor which also helped Zambia's Roan Consolidated to gain 20 to 290p. Botswana RST eased 2 more to 86p; it is hoped that after the labour strike full production will be resumed in a fortnight.

In the aftermath of the rise in the producer price for platinum, shares of the companies affected tended to drift back on the lack of any further buying interest. Lydenburg lost 4 to 138p. In Diamonds, De Beers eased further to 304p.

Australians were firm with sentiment being helped by the overnight trend in Melbourne and Sydney. Pancontinental rose 15 more to 530p. Endeavour Oil rose 2 to 14p on consideration of its stake in the promising Forrestania nickel project in Western Australia. Vultan Minerals hardened a further 1 to 26p.

FINANCIAL TIMES STOCK INDICES

	July 31	July 30	July 29	July 28	July 25	July 24	A year ago
Government Secs	60.14	60.42	60.83	61.09	60.49	60.23	55.21
Fixed Interest	60.26	60.57	60.76	60.91	60.52	60.54	55.15
Industrial Ordinary	283.3	288.5	291.8	294.5	286.7	285.4	235.7
Gold Mines	358.3	361.1	366.9	358.6	346.5	345.5	327.2
Ord. Div. Yld. %	7.26	7.10	7.01	6.94	7.05	7.10	8.40
Earnings Yld. % (full) (a)	20.86	20.51	20.24	20.04	20.45	20.65	22.45
P/E Ratio (net) (a) (b)	6.84	6.98	7.05	7.12	6.99	6.92	6.22
Dealings marked	3,718	4,597	4,753	4,864	4,794	4,785	6,452
Equity turnover £m	—	36.28	41.30	37.65	44.79	52.56	46.77
Equity bargains total	—	9,740	11,820	11,629	12,821	12,856	11,682

10 a.m. 287.4. 11 a.m. 284.3. Noon 282.7. 1 p.m. 282.7.
2 p.m. 281.8. 3 p.m. 282.1.
Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=8.80.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/5)	50.53 (6/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.3 (5/6)	146.0 (6/1)	545.6 (15/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	July 31	July 30
Daily—		
Gilt-Edged	111.8	124.2
Industrials	125.0	150.7
Speculative	35.6	59.5
Totals	[illegible]	104.6
5-day Average—		
Gilt-Edged	126.7	129.6
Industrials	151.9	159.4
Speculative	49.4	52.7
Totals	103.4	108.2

MONTHLY AVERAGES OF STOCK INDICES

	July	June	May	April
Financial Times				
Govmnt Secs	60.17	58.74	57.45	[illegible]
Fixed Interest	59.90	57.79	57.38	59.67
Industrial Ord.	304.4	372.[illegible]	353.0	[illegible]
Gold Mines	[illegible]	390.[illegible]	[illegible]	[illegible]
Dealings mkd.	5,077	6,456	7,207	8,1[illegible]
F.T. Actuaries				
Ind. Grp.	125.19	132.[illegible]	133.48	12[illegible]
500-Share	136.31	140.67	144.46	131.57
All-share (650)	123.[illegible]	143.76	145.58	130.99
20-year Govt.	49.70	47.36	46.53	48.[illegible]
Red. Debs	47.30	46.[illegible]	45.69	[illegible]

	High	Low
Industrial Ord.	321.6 (31/6)	293.3 (31/7)
All-share	142.17 (31/6)	124.03 (31/7)

VAT may hit mower plant

INCREASING VAT to 25 per cent. on motor mowers could cause a Suffolk company to make some of its 800 workforce redundant.

Mr. William Hayfield, managing director of Suffolk Lawnmowers, of Stowmarket, said: "Since the rise in VAT we have had to cut a substantial expansion programme and it could mean reducing jobs. He is asking local MPs to help avoid redundancies.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Figures in parentheses show number of stocks per section.

	EQUITY GROUPS — GROUPS & SUB-SECTIONS	Thurs. July 31, 1975 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Wed. July 30 Index No.	Tues. July 29 Index No.	Mon. July 28 Index No.	Friday July 25 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	104.15	−1.8	22.41	7.75	6.63	6.69	106.03	107.82	108.66	107.64	84.26	131.26 (6/6)	51.78 (6/1)	206.37 (4/5/72)	15.70 (13/12/74)
2	Building Materials (30)	88.89	−0.9	[illegible]	8.86	7.20	7.19	89.10	90.54	90.11	89.66	84.92	117.40 (22/4)	45.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	180.56	−2.3	20.02	5.11	7.52	7.52	184.79	187.59	187.77	187.89	136.08	261.61 (23/4)	74.74 (6/1)	369.55 (19/5/72)	71.48 (12/12/74)
4	Electricals (17)	194.68	−3.1	21.17	5.95	6.94	6.93	200.98	206.57	212.01	207.49	147.65	234.64 (6/6)	96.49 (6/1)	360.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	123.17	−2.5	28.56	[illegible]	5.34	5.34	126.07	129.94	131.08	131.25	98.59	159.79 (22/4)	64.59 (6/1)	202.57 (8/6/73)	64.59 (2/1/75)
6	Engineering (General) (65)	91.85	−1.8	23.66	8.90	6.24	6.24	93.49	94.36	94.59	94.26	71.62	117.40 (6/6)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	38.02	−1.6	18.61	10.84	9.81	9.81	38.64	38.48	38.47	37.96	30.44	48.96 (30/6)	20.11 (3/1)	136.70 (4/7/69)	19.96 (13/12/74)
8	Miscellaneous (23)	95.46	−0.4	25.55	8.11	5.85	5.85	95.89	97.67	98.16	98.20	78.95	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (39)	80.00	−1.4	24.99	7.68	5.87	5.86	81.15	81.98	82.11	80.92	70.31	93.16 (6/6)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	92.88	−2.1	21.84	5.71	6.78	6.77	94.87	95.83	95.21	94.71	81.85	108.34 (6/6)	44.28 (6/1)	257.41 (19/6/72)	42.88 (12/12/74)
11	Household Goods (15)	185.24	−0.6	33.51	8.22	4.36	4.36	126.95	126.21	125.58	125.22	115.04	146.90 (25/4)	64.65 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	42.23	−0.6	25.84	11.00	5.56	5.52	42.49	43.12	43.14	43.35	36.26	50.91 (6/6)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (167)	116.35	−1.1	17.27	7.23	8.30	8.27	117.60	119.62	120.17	118.75	91.00	146.46 (6/6)	61.98 (6/1)	226.08 (14/3/72)	61.41 (13/12/74)
14	Breweries (16)	129.36	−0.5	15.66	7.81	9.65	9.65	129.95	134.28	132.43	132.28	100.91	163.85 (6/6)	76.58 (6/1)	261.87 (29/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	131.40	−1.6	14.81	7.71	10.18	10.18	133.59	136.79	136.96	133.15	119.94	177.94 (9/7)	80.42 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	151.84	−2.2	16.61	8.44	8.67	8.67	134.85	138.13	139.07	136.67	92.33	168.44 (27/6)	55.26 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	124.54	−0.8	16.48	6.40	8.34	8.30	125.53	126.89	126.64	126.55	95.63	156.57 (6/6)	62.05 (3/1)	211.66 (1/5/72)	59.77 (11/12/74)
18	Food Retailing (18)	116.53	+0.5	13.54	5.61	10.77	10.77	115.98	117.74	118.06	116.38	79.94	149.17 (4/6)	57.16 (2/1)	255.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	114.37	−2.8	18.35	8.49	8.30	8.30	117.66	119.50	120.14	121.29	111.66	152.14 (6/6)	55.08 (6/1)	260.29 (12/1/73)	55.08 (6/1/75)
20	Packaging and Paper (13)	78.08	−2.0	28.28	9.42	5.19	5.19	79.65	80.98	82.45	81.78	68.80	107.12 (20/5)	43.46 (6/1)	135.69 (24/4/72)	43.46 (6/1/75)
21	Stores (30)	99.46	−1.7	14.80	6.67	10.49	10.49	101.20	102.59	102.36	101.38	77.07	132.94 (26/5)	52.63 (6/1)	304.39 (15/8/72)	52.63 (6/1/75)
22	Textiles (23)	118.16	−1.0	29.23	9.07	4.07	3.98	119.32	120.70	122.38	120.34	109.46	145.07 (27/5)	62.91 (6/1)	253.73 (17/9/68)	62.65 (11/12/74)
23	Tobacco (3)	174.97	−0.4	18.95	7.62	7.86	7.86	175.62	178.82	181.45	180.53	122.15	199.16 (10/5)	109.92 (6/1)	359.15 (1/3/73)	94.34 (13/8/62)
24	Toys and Games (6)	41.00	−0.4	31.91	8.85	4.30	4.30	41.18	40.71	40.41	40.79	35.99	44.08 (6/6)	20.92 (6/1)	136.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (24)	155.74	−1.1	22.40	5.87	6.39	6.39	157.52	159.69	161.74	158.13	115.70	189.17 (6/6)	73.14 (6/1)	301.92 (21/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	74.28	−1.6	19.61	6.50	7.04	7.04	74.51	75.25	76.20	74.74	84.27	104.75 (17/4)	46.34 (3/1)	246.06 (1/9/72)	45.34 (3/1/75)
27	Shipping (12)	319.76	−0.5	26.87	7.51	4.60	4.66	320.84	327.29	331.49	325.51	277.47	401.84 (10/3)	194.56 (6/1)	517.00 (6/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	118.18	−1.7	22.81	6.55	6.40	6.40	120.21	121.82	123.29	122.93	103.31	155.68 (6/6)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	114.72	−1.8	20.23	7.26	7.14	7.12	116.22	118.07	118.93	117.49	92.56	143.43 (6/6)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	260.28	−1.0	28.27	6.83	3.79	3.54	263.01	266.20	271.86	276.40	170.06	296.47 (4/6)	105.85 (2/1)	431.66 (21/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	126.80	−1.3	21.61	7.03	6.26	6.13	128.41	130.38	131.62	130.63	99.19	156.14 (6/6)	65.49 (6/1)	227.95 (1/5/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	112.67	−1.5	—	6.55	—	—	114.15	116.48	117.76	116.94	92.88	148.46 (23/5)	56.50 (6/1)	241.41 (1/4/72)	55.88 (13/12/74)
33	Banks (6)	128.61	−2.4	24.06	6.17	6.28	6.28	131.78	133.93	135.85	135.37	109.59	177.11 (5/6)	62.56 (2/1)	288.32 (30/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	142.06	—	—	8.51	—	—	142.07	142.07	141.87	141.87	109.55	169.27 (7/5)	84.15 (6/1)	293.13 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	98.86	−1.0	28.06	10.20	4.73	4.34	99.92	98.99	98.61	98.61	122.39	134.39 (10/3)	42.81 (6/1)	435.72 (4/5/72)	38.83 (21/12/74)
36	Insurance (Life) (8)	98.73	−0.8	—	7.15	—	—	99.52	98.89	100.12	99.38	76.30	127.97 (23/4)	44.88 (3/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	95.03	−1.5	—	[illegible]	—	—	96.45	96.19	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	43.96 (13/12/74)
38	Insurance (Brokers) (8)	163.72	−0.2	11.06	4.61	13.43	13.43	164.14	164.85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	65.86 (16/12/74)
39	Merchant Banks (10)	76.15	−1.7	—	7.20	—	—	77.46	78.85	78.95	78.79	75.17	[illegible]	[illegible]	[illegible]	31.21 (7/1/75)
40	Property (32)	159.09	−0.4	3.53	4.34	37.56	36.53	157.64	[illegible]	147.12	147.64	[illegible]	[illegible]	[illegible]	[illegible]	56.01 (20/4/65)
41	Miscellaneous (5)	63.12	—	17.93	10.51	8.22	8.14	63.12	63.63	63.79	63.79	68.60	[illegible]	[illegible]	[illegible]	33.29 (17/12/74)
42	Investment Trusts (50)	145.49	−0.6	3.41	4.63	39.37	29.35	146.31	149.42	149.08	148.71	111.47	178.53	73.43	245.79	71.63
43	ALL-SHARE INDEX (650)	124.03	−1.2	—	6.76	—	—	125.56	127.64	128.60	127.69	97.87	154.09	62.16	228.16	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	403.54	+0.8	14.06	8.16	10.33	10.25	400.31	402.65	402.22	404.46	313.50	525.43	281.66	555.37	84.68
45	Teas (10)	101.01	+0.2	35.91	10.24	3.88	3.71	101.18	101.01	100.58	100.43	85.60	[illegible]	76.76	121.47	59.72
46	Coppers (3)	371.41	−2.1	52.87	20.33	1.99	1.89	363.73	365.73	359.17	354.60	415.55	467.74	249.52	567.78	94.08
47	Mining Finance (11)	122.05	−0.4	10.04	4.35	10.94	10.94	122.54	124.08	123.40	120.50	95.14	141.34	80.58	179.80	56.31
48	Tins (5)	89.74	−1.0	11.36	9.24	11.33	9.74	90.63	90.51	91.31	91.19	71.16	114.49	58.91	125.42	54.83
49	Overseas Traders (13)	201.55	−0.9	17.23	4.91	7.45	7.42	203.37	205.41	205.37	202.45	[illegible]	[illegible]	[illegible]	[illegible]	97.37

	FIXED INTEREST	Thursday July 31 Index No.	Thursday July 31 Yield %	Wed. July 30	Tues. July 29	Monday July 28	Friday July 25	Thurs. July 24	Wed. July 23	Tuesday July 22	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% Yield	—	14.02	13.92	13.82	13.72	13.89	13.99	14.08	13.93	15.56				
2	20-yr. Govt. Stocks (6)	50.08	13.00	50.59	50.86	51.18	50.39	50.04	49.80	50.24	46.85	55.09	38.27	116.48	38.27
3	20-yr. Red. Deb & Loans (15)	47.64	15.47	37.83	47.77	47.91	48.01	48.10	47.67	48.05	44.52	50.56	37.01	114.83	37.01
4	Investment Trusts Prefs (15)	46.99	14.71	47.13	47.30	46.60	46.99	46.51	46.29	46.35	41.57	47.50	34.45	114.41	34.45
5	Coml. and Indl. Prefs (20)	68.02	13.82	67.79	67.67	66.92	66.62	66.68	66.02	66.70	57.43	68.02	46.33	114.95	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31 12 74	[illegible]	Miscellaneous Financial	[illegible]	[illegible]
Engineering (Heavy)	31 12 71	[illegible]	Food Manufacturing	[illegible]	[illegible]
Engineering (General)	[illegible]	[illegible]	Food Retailing	[illegible]	[illegible]
Wines and Spirits	[illegible]	[illegible]	Insurance Brokers	[illegible]	[illegible]
Toys and Games	[illegible]	[illegible]	Mining Finance	[illegible]	[illegible]
Office Equipment	[illegible]	[illegible]	All Other	[illegible]	[illegible]
Industrial Group	31 12 70	[illegible]			

† Redemption yield. FT-Actuaries calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an ICL 1904 computer. A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by inland post 16p. Commonwealth 15p. Foreign 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	14	247	−3	302	118
Shell Transport	25p	11	286	−3	343	118
Distillers	50p	9	107	−5	150	65½
MEPC	25p	9	77	+4	231	64
Marks & Spencer	25p	9	94	—	128	47½
"Bats"	25p	8	283	−7	338	164
Midland Bank	£1	8	225	−5	305	122
Reed Intl.	£1	8	180	−13	297	124
Burmah Oil	£1	7	28	+1	100	27
Glaxo	50p	7	338	−2	427	198
IC Gas	£1	7	328	−10	395	124
Lloyds Bank	£1	7	185	−3	265	94
Plessey	50p	7	64	−3	90	39
Barclays Bank	£1	6	240	−5	325	112
BP	£1	6	472	−6	556	190

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
July 22	Aug. 4	Oct. 16	Oct. 28
Aug. 5	Aug. 18	Oct. 30	Nov. 11
Aug. 19	Sep. 1	Nov. 11	Nov. 25

"Calls" were dealt in Town and City, Charterhall Finance, Burmah Oil, Slater Walker, MEPC, National Westminster Bank Warrants and Lonrho. A "put" was done in Charterhall Finance, while "doubles" were arranged in Consolidated Gold Fields, Charterhall Finance, Town and City, Cavenham Warrants, Burmah Oil and Slater Walker.

Industrials						Mines	
A. P. Cement	20	Grand Met.	9	Slater Walker	15	Anglo Amer.	50
Assoc. Leisure	5	G.U.S. 'A'	20	Spillers	7	Broken Hill Prp.	75
Barclays Bank	35	Guardian	30	Tesco	6	Charter Cons.	22
Beecham	28	G.K.N.	28	Thorn "A"	20	Chart'rh'll Fin.	5
Boots Drug	24	Hawker Sidd.	30	Tube Invest.	30	Cons Gold	25
Bowaters	20	House of Fraser	10	Unilever	40	De Beers Def.	26
B.A.T.	35	Hudson (Wlims)	5	Utd. Drapery	12	F. S. Geduld	350
British Leyland	1¼	I.C.I.	24	Vickers	16	Great Boulder	12
British Oxygen	5	"Imps"	7	Woolworths	6	Hampton Areas	16
Burton 'A'	9	I.C.L.	7	Property		Hampton Prop.	4
Cadburys	6	Inveresk	10	Cap. Counties	7	Kloof	140
Courtaulds	14	Legal & General	17	E.P.	11	Lonrho	13
Debenhams	11	Lloyds Bank	30	Int. Europe.	7	Loraine	56
Distillers	15	"Lofs"	7	Land Securities	22	Metals Explor.	5
Dunlop	6	"Mams"	9	Peachey	7	Preeidon	65
Eagle Star	15	Marks & Sp'ncer	15	Town & City	6	Pres. Steyn	275
E.M.I.	20	Midland Bank	32	Town & Comm.	7	Rio T. Zinc	20
First National	5	Nat'l West Bank	30	Oils		Welkom	55
G.R.A. Trust	7	P & O Dfd.	16	Brit. Petroleum	46	West Areas	75
Gen. Accident	16	Plessey	10	Burma Oil	6	Western M'ng.	15
Gen. Electric	14	R.H.M.	7	Shell	30	Zambia Copp.	10
Glaxo	40	Rank Org. 'A'	25	Ultramar	21		
		Reed Int'l	28				

NEW "HIGHS" AND "LOWS" FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (5)

AMERICANS (1)
Bell & Howell
INDUSTRIALS (1)
Dubee-Combex-Marx
TEXTILES (2)
Atkins Bros. Beales (John)
MINES (1)
Vultan Mining

NEW LOWS (9)

BUILDINGS (1)
Norwest Holst
HOTELS (1)
C. C. H. Investments
PAPERS (2)
Brunning Group Clyde Paper
SHIPBUILDERS (1)
Swan Hunter
TEXTILES (1)
Small & Tidmas
TRUSTS (1)
U.S. Trust Fund
TEAS (1)
Peacock Sasini
MINES (1)
Geevor

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	—	66	7
Corpns. Dom. and Foreign Bonds	—	34	37
Industrials	145	428	1,131
Financial and Prop.	68	155	384
Oils	5	4	23
Plantations	5	1	42
Mines	12	58	91
Recent Issues	7	28	40
Totals	242	766	1,865

LATEST WILLS

	Net
Sir Morris Finer, a former High Court judge and chairman of the Royal Commission on the Press, left £100,078 gross	£11,789
Mr. R. A. Smith, former joint managing director of Kettering Motor Service Group, left £1,410,817 gross	£181,866
Mr. D. W. Morphy, a founder of Morphy Richards, left £280,669 gross	£270,372

BASE LENDING RATES

AFI International	9½%
Allied Irish Banks Ltd	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	‡10 %
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10 %
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	10 %
■ Charterhouse Japhet	10 %
C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank	*9½%
Copleys Bank	11½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont.	11½%
First London Secs.	9½%
First Nat. Fin. Corp.	12 %
First Nat. Secs. Ltd.	11½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	10 %
■ Guinness Mahon	9½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	†9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Knowsley & Co. Ltd.	11½%
Lloyds Bank	9½%
London & European	11½%
London Mercantile	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
National Westminster	9½%
Northern Comm. Trust	10½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'cs.	9½%
Royal Trust of Canada	10½%
Schlesinger Limited	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	11 %
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10 %
Williams and Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7½%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

I.G. INDEX
GOLD 167-170

CORAL INDEX
Close 279-284

INSURANCE BASE RATES

† Atlantic Assurance ... 11½%
Cannon Assurance ... [illegible]
† Address shown under Insurance and Property Bond table.

MONEY MARKET

Small help

Bank of England Minimum Lending Rate 11 per cent.
(since July 25, 1975)

Day-to-day credit was in slightly short supply in the London money market yesterday after indications earlier on that Bank of England assistance would not be required. The authorities however gave a small amount of help by buying Treasury bills. Working in favour of the market were: bank balances carried over from the previous day, an excess of Government disbursements over revenue transfers to the Exchequer, and a fall in the note circulation. These were offset by a net market take-up of Treasury bills and maturing Corporation bills.

Discount houses paid around 9¾-10 per cent. at the start and during the day there was little movement. 10¼ per cent. was seen in places but the rates closed in the region of 9¾-10 per cent.

In the inter-bank market overnight loans opened at 10-10¼ per cent. saw 9½ per cent. during the day but closed back in the region of 10-10¼ per cent.

Short-term interest rates were generally firmer with the two-month Sterling certificate yield rising to 10⅝-10⅜ per cent. from 10¼-10¼ per cent., the nine-month to 11⅛-10⅞ per cent. from 10¾-10¾ per cent. and the one-year 11⅛-10⅞ per cent. against 11-10¾ per cent.

Rates in the table below are nominal in some cases.

July 31 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit†	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills Φ	Bank bills Φ	Fine trade bills Φ
Overnight	—	9½-10¼	—	—	—	10-10½	9½-10¼	—	—	—
2 days notice	—	—	10⅛-10½	—	—	—	—	—	—	—
7 days or 7 days notice	—	10-10¼	10⅛-10½	—	—	—	9¾-10¼	—	—	—
One month	10⅛-10¼	10⅜-10½	10¼-10½	11-10¼	10¾-11	—	9¾-10	10⅛	10⅜	10⅞-10⅞
Two months	10⅜-10⅜	10⅝-10½	—	10¾-10¼	10⅞-11⅛	—	9⅞-10	10⅛	10⅞	10½-10⅞
Three months	10⅞-10½	10⅜-10½	10½-10¾	10¾-10⅜	11-11¼	—	9¾-10	10⅛	10½	10½-10⅞
Six months	11-10¾	10⅞-10⅞	10¾	10¾-10⅝	11¾	—	—	—	10¾	11
Nine months	11⅛-10⅞	10½-10⅞	—	11½-11	—	—	—	—	—	—
One year	11⅛-10⅞	10⅞-10⅞	11½-11⅝	11⅝-11⅜	—	—	—	—	—	—
Two years	—	11¼-12¼	12¼-12¾	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice; others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13½-13⅞ per cent.; four years 13⅞-14 per cent., five years 13⅞-14⅛ per cent. Φ Bank bill rates in table are buying rate for prime paper; buying rates four-month bank bills 10¼ per cent.; and four-month trade bills 10 11/16 per cent. Approximate selling rates for one-month Treasury bills 10 per cent.; two-month 10 1/16 per cent.; three-month 10 5/16 per cent. Approximate selling rates for one-month bank bills 10¼ per cent.; two-month 10 5/16 per cent.; and three-month 10½ per cent.; [illegible] Finance House Base Rate (published by the Finance Houses Association): 10 per cent. from August 1 [illegible]. Clearing Bank Deposit Rates for small sums at seven days' notice 6½ per cent. Clearing Bank Base Rates for lending 9½ per cent. Treasury Bills: Average tender rate of discount 10.4407 per cent.

هكذا من الاصل

AUTHORISED UNIT TRUSTS

The British Life Office Ltd.♥ (a)
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

BL British Life	34.1	35.5	−0.5	6.19
BL Balanced*	26.7	28.2	......	6.78
BL Capital*	27.5	29.1	......	4.56
BL Dividend*	24.5	25.0	......	9.38

*Prices on July 30. Next dealing Aug. 6

G. & A. Un. Tst. Mgrs. Ltd.(a)(g)
5, Rayleigh Rd., Brentwood. (0277) 227300

G. & A.	20.0	21.4	−0.2	6.11

Gartmore Fund Managers♥
2, St. Mary Axe, EC3A 8BP. 01-283 3531

British Trust	22.7	24.5xd	−0.3	4.62
High Income Tst.	26.6	28.6xd	−1.2	12.97
(Z)Overseas Tst.	23.4	25.2	−0.1	1.70

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	14	......	Craig Ship. £1	400	−10	Shiloh Spinn	23	......
Ash Spinning	36	......	Hallam Sleigh 10p	6½	......	Sindall (Wm.)	43	......
Bertam	18	+1½	Higsons Brew	65	......			
Brady (G.) 'A'	45	......	I.O.M. Stm. £1	120	......	**IRISH**		
Bdg'wtr. Est. 50p	105	+2	Holt (Jos.) 25p	185	......			
Clover Croft	35	......	Kleen-e-Ze	24	......	Alliance Gas (£1)	50	......
Craig & Rose £1	310	......	Lovell's Ship £1	130	......	Carroll (P.J.)	108	−1
Dyson (R.A.)	30	......	N'thn. Goldsmith	90	......	Clondalkin	52	......
Ellis & McHdy	58	+4	P.M.A.	36	......	Concrete Prods.	69	......
Evans F'k 10p	36	......	Pearce (C. H.)	68	......	Goodbody (£1)	38	......
Evered	14	......	Peel Mills	15	......	Helton (Hldgs.)	30	......
Fife Forge	47	......	Richards 10p	7½	......	Irish Distillers	62	......
Finlay Pkg. 5p	16	......	RobbCaledon5p	28	......	Irish Wire	40	......
Frost & Reed 50p	65	......	Sayers 12½p	6	......	Jacob	58	......
Gardiner & Sons	11	......	Sheffield Brick	60	......	Sunbeam	8	......
Gardner (L.)	62	......	Sheff. Refrshmt.	142	......	Unidare	65	......

FOOD PRICE MOVEMENTS

	July 31 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton†	845	845	820
British A.1 per ton†	840	840	815
Irish Special per ton†	840	840	815
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton¶	840	840	815
BUTTER (packet)			
NZ per 20 lbs†	7.09-7.15	7.09-7.15	6.99-7.15
English per cwt†	41.14-41.16	41.14-41.16	41.14-41.16
Danish salted per cwt†	43.30-43.51	42.43-43.51	42.10-42.50
CHEESE§			
English cheddar white rindless 40-lb. per cwt	—	—	—
NZ per 20 kilos	15.61	15.61	15.61
EGGS*			
Home-prod. Standard	2.45-2.60	2.40-2.50	1.40-1.55
Large	2.90-3.10	3.10-3.20	2.50-2.60
	July 31 per pound p p	Week ago per pound p p	Month ago per pound p p
BEEF			
Scotch killed sides ex KKCF	27.0—32.0	28.0—32.0	32.0—35.0
Eire forequarters	16.0—18.0	17.5—18.5	18.0—20.0
Argentine chilled rumps	—	—	—
LAMB			
English	29.0—32.0	30.0—34.0	30.0—32.0
NZ 2s-Ds	28.0—29.0	29.0—30.0	30.0—31.0
PORK (all weights)	24.0—32.0	24.0—32.0	25.0—32.0
MUTTON			
English ewes	12.0—13.0	12.0—13.0	12.0—13.0
POULTRY			
Broiler chickens	25.0—27.0	24.0—27.0	24.0—27.5

* London Egg Exchange price per 120 eggs. † Delivered. § London and National Provision Exchange price. ¶ For delivery August 12-19. **FMC prices.

COMPANY NOTICES

CLASSIFIED ADVERTISING RATES

	Per single column centimetre		Per single column centimetre
Appointments	£9.00	Business Opportunities	£11.00
Industrial and Business Property	£9.00	Educational	£9.00
Residential Property	£9.00	Motors	£9.00
		Hotels and Travel	£9.00

The minimum depth of display advertisements and of boxed classified advertisements is: Three single column centimetres. Larger advertisements are only accepted in multiples of whole centimetres.

Premium positions available — rates on request. Write to Classified Advertisement Department, Financial Times, 10, Cannon Street, EC4P 4BY.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

United States Tst. Intl. Adv. Co.
14, Rue Aldringer, Luxembourg.

U.S. Tst. Inv. Fnd.	US$12.13	+0.06	0.99

Net asset value July 30.

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

CMT Ltd. Jue 26	£10.61	10.88	......	—
Conv. Bond July 30	US$8.28		−0.03	—
Energy Int. July 30	US$12.40		+0.01	—
Grsh.St.$Fd.Ju30	US$7.52		......	—
TMT Ltd. July 10	£11.74	12.05	......	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

World Wide Gth. Fd.	US$11.67	−0.07	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. § Guernsey yield. ø Suspended. ☆ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	1975 Low	Stock	£	+ or –	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
99⅝	94⅜	Exch 6½pc 1976‡‡	98½xd	.....	6.62	9.97
97⅛	92⅞	Treasury 6½pc 1976‡‡	96½xd	–⅛	6.73	10.13
99	97	Victory 4pc 1976‡‡	99	.....	4.08	—
102	96⅞	Treasury 10½pc 1976‡‡	99⅛	–⅛	10.57	10.95
95	88⅞	Treasury 6¼pc 1977‡‡	93⅜	–⅛	6.70	10.85
94⅛	86¼	Electric 3pc 74-77	92¼	–¼	3.25	8.18
103⅛	96⅞	Treasury 11½pc '77‡‡	100¼	.....	11.47	11.31
88⅛	84	Treasury 3pc '77‡‡	87⅞	.....	3.41	8.95
90⅛	84⅜	Transport 4pc '72-77	88⅝	.....	4.51	9.42
96⅛	90½	Treasury 9pc 1978‡‡	93⅝	–⅛	9.62	11.89
100⅞	96⅝	Treasury 10½pc '78‡‡	96⅞	–⅛	10.84	11.76
£87⅝	79	Exchequer 5pc '76-78‡‡	88⅝	.....	5.84	10.44
103	94⅞	Treasury 11½pc '79‡‡	98½	–⅛	11.67	11.99
79⅝	71⅛	Treasury 3pc '79‡‡	76⅝	.....	3.83	9.43
81	73⅞	Electric 4¼pc '74-79	75⅝	–⅛	5.34	10.40
100⅛	95⅛	Treasury 10½pc '79‡‡	95⅞	–⅛	10.95	11.72
79⅝	71	Electric 3½pc '76-79	78⅝	–⅛	4.45	9.69
95	84	Treasury 9pc 1980‡‡	90½xd	–⅛	9.94	11.76
95⅛	92	Treasury 9½pc '80‡‡	92	–½	10.33	11.73
79	68¼	Treasury 3½pc '77-80	75¾	–¼	4.62	9.88
84½	71	Funding 5¼pc '78-80‡‡	80⅝	–⅛	6.51	10.41
		Five to Fifteen Years				
75½	66⅛	Treasury 3½pc '79-81	73⅝	–⅛	4.74	9.73
91⅛	72⅝	Do 5½pc '80-82‡‡	85¼	–½	10.02	11.91
104⅛	86⅝	Treasury 12pc 1983‡‡	102¼	–½	12.28	12.44
78	58	Funding 5½pc '82-84‡‡	73¾	–⅛	7.48	10.25
85¼	61⅛	Treasury 8½pc '84-86‡‡	81⅛	–½	10.54	11.67
73¼	51⅛	Funding 6½pc '85-87‡‡	70½	–⅛	9.44	11.35
76¼	53	Treasury 7¾pc '85-88‡‡	72	–⅛	10.78	12.18
47¼	32⅞	Transport 3pc '78-88	45⅞	–⅛	6.58	10.96
56⅝	39¼	Treasury 5pc '86-89	55⅛	–⅛	9.32	11.80
		Over Fifteen Years				
75½	53¼	Treasury 8¼pc '87-90‡‡	70⅞	–¼	11.82	12.84
57⅛	41⅛	Funding 5¾pc '87-91‡‡	55⅞	–⅛	10.64	12.49
97½	85⅞	Treasury 12½pc '93‡‡	91⅛	–⅛	13.77	13.90
55⅝	40½	Funding 6pc 1993‡‡	53⅞	–⅛	11.63	13.00
75¼	54⅛	Treasury 9pc '94‡‡	69⅞	–¼	13.23	13.75
34⅞	24⅜	Gas 3pc '90-95	33⅝	–¼	9.13	11.68
102	75	Treasury 12¾pc '95‡‡	93⅝	–⅛	14.03	14.09
71¼	54¼	Treasury 9pc '92-96‡‡	70¼	–¼	13.46	13.91
33¼	26½	Redp. 3pc 1986-96	32⅞	–⅛	9.41	11.85
95⅛	93¼	Treasury 13¼pc '97‡‡	93⅞	–⅛	14.20	14.24
69⅞	53¼	Treasury 8¼pc 1997‡‡	63⅞xd	–¼	13.54	13.95
59⅞	40¾	Treasury 6¾pc '95-98‡‡	53¼	–¼	13.09	13.73
75⅛	54¼	Treasury 9½pc 1999‡‡	69½	–¼	13.76	14.01
31⅜	22	Funding 3½pc '99-04	29½	–¼	11.93	12.60
61⅞	47	Treasury 8pc '02-06‡‡	60½	–¼	13.81	13.95
43¼	33	Treasury 5½pc '08-12‡‡	42¼	–¼	13.72	13.85
59⅝	43⅛	Treasury 7¾pc '12-15‡‡	55¾xd	–¼	13.93	13.98
		Undated				
29⅜	22¼	Consols 4pc	27⅝xd	–⅛	14.35	—
27⅜	20⅛	War Loan 3½pc‡‡	25⅝	–⅛	13.98	—
27½	22⅜	Conv. 3½pc '61 Aft.	26⅜	–⅛	13.68	—
22¼	17½	Treasury 3pc '66 Aft.	21⅞	–⅛	14.35	—
18⅜	14⅜	Consols 2½pc	18	–⅛	14.03	—
18⅝	14½	Treasury 2½pc	18¼	–⅛	14.36	—

**INTERNATIONAL BANK

1975 High	1975 Low	Stock	£	+ or –	Yield Int.	Yield Red.
68	58	5pc Stock '77-82	64½xd	–½	7.67	12.66
97¼	91½	8pc Stock 1976	96	–½	8.34	12.33

**CORPORATION LOANS

1975 High	1975 Low	Stock	£	+ or –	Yield Int.	Yield Red.
87	80¼	Birm'ham 9¼pc '79-81	85¼xd	–¼	10.81	12.82
92½	87	Bristol 6½pc '75-77	91½xd	–½	7.10	12.86
89¼	82¼	Essex 5¼pc '75-77	87⅛	–½	6.27	12.87
96	90	G.L.C. 6¾pc 1976	96xd	.....	7.03	10.93
91½	85	Do 7¼pc 1977	90	–⅛	8.05	12.97
99⅝	92½	Do. 12¾pc '82	96	–½	13.32	13.67
75¼	63	Herts. 5½pc '78-80	71¼	–¼	7.37	13.55
90¼	83½	Liverpool 7pc '76-77	89¼	–⅛	7.84	12.93
89½	71	Do. 9¼pc '80-84	85¼	–⅛	11.68	12.98
23½	17⅛	Do. 3½pc Irred.	23	.....	15.11	—

††BANKS AND HIRE PURCHASE

BUILDING INDUSTRY—Continued

DRAPERY AND STORES—Continued

ENGINEERING—Cont.

HOTELS—Continued

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 33½% (based on $2.1476 per £)

CANADIANS

S.E. List Premium 33½% (based on $2.2185 per £)
Conversion factor 0.6318 (0.6473)

ELECTRICAL AND RADIO

INDUSTRIALS (Miscel.)

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

BUILDING INDUSTRY, TIMBER & ROADS

DRAPERY AND STORES

ENGINEERING, MACHINE TOOLS

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

[illegible]

††INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, Etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	3	......	m0.5	—	1.7
65	17	Charterhall 5p	56	+2½	—	—	—
115	75	Colby Mines $1	75¢	......	—	—	—
760	360	Cons. Murch. 10c	630	−10	tQ130c	2.2	‡
53½	29½	Laurasia	42½	......	—	—	—
19	11	NRD $1	12	+1	—	—	—
375	200	Northgate C$1	275	......	Q65c	1.0	10.2
211	80	R.T.Z.	170	......	14.9	4.4	4.5
135	47½	Sabina Inds. C$1	75	+2	—	—	—
81	51	Stanford Mines R1	69	......	—	—	—
£12½	875	Tara Explo. $1	£10¼	......	—	—	—
78	38	Yukon Cons C$1	67	+2	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ◆ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ! Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ÷ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend, cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 17

FINANCIAL TIMES

Friday August 1 1975

Tribune MPs launch attack on counter-inflation policy

BY JOHN BOURNE, LOBBY EDITOR

A CAMPAIGN to muster opposition to the Government's economic counter-inflation strategy at the TUC Congress and the Labour Party conference *in the autumn*—when the Government must win support for its policies if it is to have a chance of success—was launched yesterday by the hard-core of the Left-wing Tribune *group of Labour MPs.*

Hundreds of leaflets are to be distributed not only to every trade union, but to every constituency Labour Party and Co-operative Party, which will be invited to organise meetings in support of the campaign and "build-up Labour support" among delegates at the two key conferences.

So far, the draft leaflet has been signed by 46 MPs (the *Tribune group's nominal* strength is claimed to be about 80), including four former middle-rank Ministers of the present administration: Mrs. Judith Hart, Mr. Norman Buchan, Mr. Eric Heffer and Mr. Robert Hughes. It is also signed by two members of Labour's National Executive—Mr. Frank Allaun and Miss Joan Maynard.

Leading political and particularly trade union figures too will be asked to sign it. Copies of the leaflet will be printed in Tribune and in the Transport House newspaper, Labour *Weekly.*

A toned-down version of recent Tribune group documents, the leaflet is clearly designed to attract support not only from the Left but from Labour MPs who have misgivings about the Government's strategy.

Disturbed

It says that at a time of acute economic crisis with the *extremely grave problems ahead,* the group is deeply disturbed at the Government's strategy.

"Having worked for years to secure a Labour majority, we are desperately anxious to avoid mistakes like those of the 1966-1970 period which inevitably led to our defeat at the polls."

The Government's plan to limit wage increases to a maximum *of £6 a week* would mean drastic cuts in workers' living standards, it says. "The resulting cut-back in purchasing power together with reductions in public spending are bound further to *increase the alarming growth of* unemployment."

The leaflet says that the Government has refused to make adequate cuts in arms spending and has retreated from many of its policies outlined in its election manifestoes.

"If we are to reverse the trend, we must reject the view that wages are solely or even mainly responsible for the present crisis and launch a *vigorous campaign throughout* the country to press the Government to carry out the Manifesto.

"We believe that it is only by implementing old Socialist policies, implicit in clause four of the party's constitution (calling for the nationalisation of the means of production, distribution and exchange) that we can fulfil our promise to bring about the "fundamental and irreversible shift in the balance of wealth and power in favour of workers and their families' which was the central objective of our last manifesto.

"*The resolutions tabled* for the agenda of the Labour Party conference already show the widespread support for the policies expressed above."

However, Mr. Leslie Huckfield, a member of the group, explains in a Labour Weekly article why he supports the Government's strategy. He suggests that the Tribune group runs the risk of being dismissed as totally irrelevant. He adds: "It is no good just mouthing slogans about implementing the Manifesto, cutting defence and extending public ownership."

Parliament, Page 9

Caledonian complains of route losses

By Michael Donne, Aerospace Correspondent

BRITISH Caledonian Airways may be obliged to consider abandoning the Gatwick-Glasgow air route, if current losses are not soon either reduced substantially or halted entirely. It is now losing £4.50 for every passenger on the route.

This point emerged yesterday, when BCAL gave evidence to the Civil Aviation Authority in London in support of its claim that British Airways should be forced to reduce the number of flights on its rival Shuttle service between Heathrow and Glasgow, and be made to charge a higher fare.

BCAL, *in a long statement* by Mr. David Beety, director and solicitor for the airline, said it had not "the slightest wish to withdraw from Scottish domestic services, but equally cannot countenance the years of profitless operation which has characterised its competitor's operations."

BCAL argued that "continuity of services and competition in the consumer interest" were at risk unless the CAA took steps to return domestic services to profitability.

"The alternative is a return to monopoly and no effective service from Gatwick."

Load factor

The airline said that its collective losses on the Glasgow and Edinburgh routes amounted to about £750,000 a year. The loss amounted to £4.50 each for every passenger on the Gatwick-Glasgow route, and £1.60 each way per passenger on the Edinburgh route.

If a £2 differential was added to the Shuttle fare, BCAL could expect to get 11.7 per cent. more business on its own Gatwick-Glasgow service, while BA's Shuttle traffic would decline by 2.6 per cent. This *would give BCAL about 153,000* passengers a year, and BA about 607,000. BCAL's load factor would rise from 59 per cent. to 66 per cent.

Claiming that its operations on domestic trunk routes have been innovatory, and were profitable until justified price increases were restrained by Prices and Incomes legislation, BCAL says it "should not be forced off the routes because they do not have the capability to withstand losses to the extent British Airways can."

Frequency

BCAL says the most effective method of regulation is to control frequency, but since this is unlikely to restore the competitive balance by itself, BCAL wants to see a fare differential of £2, with either the fare from Gatwick being reduced by that amount or the Shuttle fare being raised.

Equal frequency between the competing services could be achieved by making the BA Shuttle a two-hourly departure instead of hourly as at present. This would cut week-day departures from about 12 to 6 each way. No restrictions are sought by BCAL on capacity, *so that BA would remain free* to put on the biggest aircraft.

BCAL's arguments about losses on U.K. domestic trunk routes were confirmed earlier this week by the Department of Trade, in its memorandum accompanying Mr. Peter Shore's civil aviation policy review. This revealed that in 1974 all airlines on all domestic routes collectively incurred losses of £12m.

"It is now more important than ever to restore domestic air fares to a level which would cover costs and allow efficient operators a reasonable return on investment," said the DoT.

THE LEX COLUMN

Underlying trend at Barclays

Once again, Barclays does not fit into the pattern set by the other three clearers. In aggregate, their interim operating profits showed a drop of a third on the first half of 1974, and a rise of about an eighth compared with the second six months. Barclays, however, is only 15 per cent. down on the first half—but it is also marginally down on the second, and in addition it has come up with another £10m. of special provisions.

The explanation lies mainly in the way that last year's pension fund requirements were overstated at the interim stage, and Barclays suggests that its underlying trends are quite close to the other clearers'. It also reckons that profits in the current half may be only marginally lower than the £67.8m. pre-tax reported for the first six months—which may seem surprising given lower average interest rates, stagnant U.K. lending and higher staff costs, plus the fact that further special provisions are not ruled out.

Of course, the group has a more favourable mix of deposits in the U.K., where current accounts have risen from about 33 to 36 per cent. of its clearing bank deposits since the December half, and expensive wholesale money has slipped to under a quarter of the total. In addition, the spread between base and deposit rate has widened, and medium term lending to industry has risen by roughly £80m. over the past year.

But the main protection lies in Barclays International, which now accounts for over 46 per cent. of pre-tax profits against *only 33 per cent. a year ago.* Its profits are a tenth higher to date, and should be up again in the current half: it accounts for the whole of the group's £600m. odd rise in the balance sheet total so far this year.

Barclays has not yet decided on the treatment of non-trading currency gains, and the clearers seem to have an infinite capacity for restating previous results. But these figures are no threat to a market capitalisation of £465m., and a current year yield of 5.3 per cent.

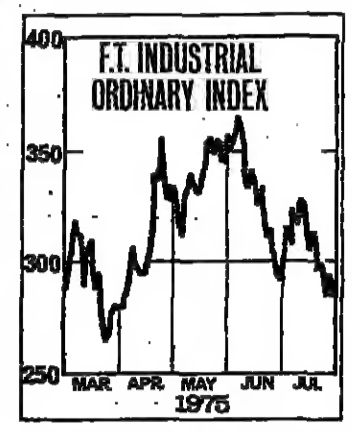
See also Page 16

Index fell 5.2 to 283.3

Reed International

The market was looking for a profits decline of maybe a third from Reed International in 1975-76, so first quarter returns down from £22.3m. to £8.5m. before tax understandably knocked the shares yesterday. *They fell 11p to 182p. The U.K.* is still leading the way down but the overseas operations — 55 per cent. of profits before interest and associates income last year—are now running close behind despite their very steady performance through the final quarter of 1974-75. Reed is hopeful about North America (31 per cent. of profits last year) from the middle of the year onwards, with June apparently reversing volume declines in paper, and the overseas picture need not prove too distressing overall. However, *the same cannot be said of the* U.K.

In one form or another paper accounted for over 70 per cent.



of total profits last year, and the cycle is not expected to recover before 1976. Bowater should get in first thanks to its heavy bias towards newsprint which is already beginning to look less depressed in the U.S. But the two groups still offer roughly similar yields; Reed returns 8½ per cent.

See also Page 17

Poultry

Profits of both J. B. Eastwood and Fitch Lovell recovered during the winter from depressed first half levels, and the key was the rising broiler price. Eastwood did not, however, live up to its earlier hope of recouping the interim loss of £1.37m. —and the *full-year* outcome was a loss of £544,000 before tax. Although broilers roughly broke even in the second half, turkey prices were still too low and this side lost about £2m. over the year as a whole. There is loss elimination potential here, and broilers should be well into the black since feed costs have fallen by roughly 14 per cent. since January and selling prices have remained firm—remembering that 1p per pound is worth £1m. to profits.

The big uncertainty remains eggs where prices have fluctuated sharply this year, though they are now improving. Anyway, the group's confidence is reflected in the decision slightly to increase the dividend, for a yield of 12 per cent., but hopes of a recovery to the £6m. pre-tax total of 1973-74 have not yet attracted the traditional East*wood punters, given a capitalisa*tion of £8.6m. at 42p.

At Fitch Lovell, the improvement in poultry profits during the second half was partially offset by a lower wines and spirits contribution, so the full year pre-tax total *has* emerged 23 per cent. lower at £4.67m., including a £516,000 exceptional profit. The latter could fall this year, but there should be a further turnround in poultry and the reorganisation of the retailing side has been completed with a 14 per cent. cut in net floor area. Profits are ahead so far, thought *it is hard to see* the shares outperforming the market. The yield is 10.1 per cent. at 47p.

See also Pages 17 and 18

British Sugar

British Sugar expects profits to fall from £14.4m. to around £6½m. pre-tax for 1974-75. There is nothing very surprising *in that after January's forecast* of a "considerable" reduction, while the extent of the year's crop failures have been known for even longer. Thus attention focuses on the group's crop estimates for 1975-76. British Sugar has some 490,000 acres of beet under contract, and with average yields running at roughly two tons an acre, next year's sugar production could get close to 1m. tons, which would more than recover this year's setback. Unfortunately bumper crops are not confined to the U.K. Europe may run a sugar surplus next year in which case U.K. prices—having nearly doubled since January under EEC regulations—are likely to suffer.

Of course, British Sugar may be heading for another earnings explosion but it is still relatively early days. Meantime, a prospective yield of 4 per cent. at 325p is covered 3.7 times by anticipated profits.

See also Page 20

Pound at $ 2.1415 and then picks up

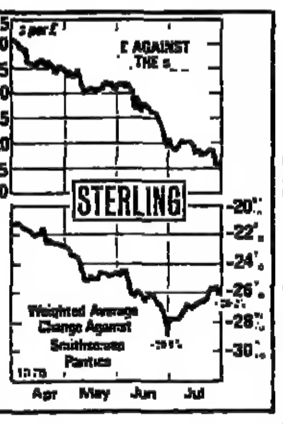
BY MICHAEL BLANDEN

THE POUND again dropped to new lows against the dollar yesterday, falling at one stage to a level of $2.1415.

In the afternoon, however, sterling picked up with some signs of profit-taking in the market and reports of some modest intervention by the Bank of England. At the close, sterling stood at $2.1537½, a fall of nearly a full cent from the previous day's $2.1635.

Dealers emphasised, however, that the decline reflected the continued strength of the dollar against all major European currencies rather than particular pressure on the pound. On the average depreciation from December, 1971 levels, sterling's decline was less marked, ending at 26.2 per cent, compared with 25.8 per cent.

The market was inclined to discount suggestions yesterday



that the Bank of England might take further action to help sterling against the dollar, following last week's move to push up short-term interest rates in London. There was no general expectations of any further upward trend in rates at this stage or of immediate moves to reinforce the recent action.

The strength of the dollar took it to an average depreciation from December 1971 levels of 2.83 per cent. against 3.07 per cent. To some extent, sterling had been protected by the seasonal build up in demand for oil royalty payments. With the end of this influence, it is now effectively catching up with the decline already experienced by other European currencies.

Last week's one point rise in *the Bank's minimum lending* rate, it is felt, has restored the differential between London and New York rates to an adequate level.

Barclays sets aside £10m. more in special provisions

BY MICHAEL BLANDEN

BARCLAYS BANK has set aside another £10m. of special provisions against its lending in the first half of this year, partly as a result of the continued depression in the property industry, and there could be further provisions in the second half.

Mr. Deryk Weyer, the bank's senior general manager, argued yesterday that the bank's profits were running well below the levels needed to maintain its capital in line with the growth of funds in view of the current rate of inflation. He said the bank needed to earn around 35 *per cent. pre-tax on its capital* and reserves — nearly double current levels.

Commenting on the outlook for the rest of this year, following the drop in profits in the first half, Mr. Weyer suggested that the pre-tax total was likely to be marginally lower than in the first half. The contribution from the bank's international activities would be better again, but the U.K. business would be rather lower.

Shares drop

The £10m. provisions in the first half "to maintain the level of its general provision against advances," follows total provisions of £15m. last year, of which £6m. was charged in the first half. Barclays is the last of the big four clearing banks to produce its half-year results, and *its provisions compare* with £18m. set aside for the same period at National Westminster (including £8m. for its Lombard North Central subsidiary), £2.5m. at Midland and none at Lloyds.

Barclays' results nevertheless show a rather smaller drop in profits than the other banks at least on a year-to-year comparison. After taking off the provisions, pre-tax profits are £67.8m., a fall of 23 per cent. from the £87.6m. for the first half of 1974. But they were down by only 4 per cent. from the second half 1974 total.

Commenting on the reasons for the setback, Mr. Anthony Tuke, the chairman, drew attention to *the higher staff costs* and the sluggish growth of deposits and advances in the U.K., though the bank had been able to increase its medium-term lending to industry.

After the results, Barclays shares dropped to 233p before coming back to end 5p down at 240p. Other bank shares also fell, with Lloyds down 3p at 185p, Midland 5p lower at 225p and National Westminster losing 7p at 185p.

Results Page 16

Ellerman £100m. investment plan over next five years

BY MARGARET REID

ELLERMAN LINES, one of Britain's largest privately owned companies, has embarked on a capital investment programme of more than £100m. over the next five years, the greater part of it to be in shipping.

As a major move under the plan, a £30m. order has been placed with the West German shipbuilding concern A. G. Weser for a cellular container ship, to come into service on the U.K./North Continent/South Africa trade in 1977.

The investment in this ship is being undertaken in conjunction with Thos. and Jas. Harrison (part of the Charente Shipping group) who, it is understood, will have a stake of some 35 per cent. in it.

In addition, Ellerman Lines has placed contracts, thought to be worth some £21m., with the Bremen Vulkan company in Germany for three new specialised conventional ships of *16,500 d.w. tons to join its fleet* in 1976.

Mr. Dennis Martin-Jenkins, chairman of Ellerman Lines, said in announcing the capital programme at yesterday's annual meeting: "We have concluded that we wish to maintain shipping as the core of the group's future activities, but, in order to buttress the inevitable downturn in shipping, to diversify into other activities of which we have *some knowledge and experience.*"

The group, which on Wednesday made an agreed £10m. bid for the J. W. Cameron brewery business (there had long been Ellerman holdings in Cameron), was formerly owned by the multi-millionaire Sir John Ellerman, who died in 1973. About a fifth of its equity capital is now held by his window, Lady Ellerman, and the rest by charitable trusts set up by Sir John.

Asked yesterday whether it was planned that the group, which last year made a pre-tax profit of £9.1m., should go public, Mr. Martin-Jenkins replied: "That's always in our minds. We are not specifically planning it but it is a possibility of which *we are aware and which we consider.*"

He added that any move would depend on agreement with the shareholders and a "better track record"—apparently a reference to losses made at the beginning of the 1970s.

It is understood that 70 per cent. of the cost of the container ship, due for delivery in the autumn of 1977, will be met by a seven-year loan in Deutschemarks from a consortium of German banks.

The intention is to raise dollar finance for the conventional ships. As to financing for the whole £100m. programme, Mr. Martin-Jenkins said this would be by three methods—by using the group's own cash, by selling quoted investments, and by borrowing.

Asked why the group had *ordered new ships in Germany* rather than Britain, Mr. Martin-Jenkins said: "We gave a fair chance to tender to British yards for any order we ever place. They have got to stand up in terms of price and delivery dates with those offered from other areas. The sad fact is that in these cases they did not."

He added that Ellerman could not get British yards to tender for the container ship, evidently because at the time tenders were being collected, several months ago, order books were already high.

The group has interests in haulage and travel, and holds a range of investments which have been *extensively* rationalised in *recent months.*

As to the current year's trading, Mr. Martin-Jenkins said the profit of not less than £4m. forecast for the first six months seemed "likely to be achieved." He was still not prepared, in the present economic and political uncertainties, to predict full-year results, "except to say that we shall do well to repeat this year the 1974 profit of £9m."

Men and Matters, Page 14

Fidelity Life warning last year

BY STEWART FLEMING

THE DEPARTMENT of Trade was warned late in September, 1974, that in the opinion of a former managing director the solvency of Fidelity Life Assurance was then in doubt.

On Monday, the Department announced that it was petitioning the High Court for the *liquidation of the* company, which has liabilities of around £10m and 13,000 policyholders.

The letter to the Department of Trade expressing concern about Fidelity Life's solvency was sent on September 30, 1974, by Mr. Norman C. Thody, a former managing director. The letter was a copy of one sent by Mr Thody to the company and was based on an analysis of the accounts for the year to December, 1972.

In his letter Mr. Thody said that as a former managing director and a policyholder "I must . . . express my very real concern at the state of affairs disclosed" (in the accounts).

"From my own knowledge of the company and from the figures disclosed, I have fears for the solvency of the company. I am unaware of the events of the last year which may have materially improved the position but, in order to satisfy my anxieties, I would very much appreciate it if you would answer the following questions."

Mr. Thody then listed a *series* of points. One related to the indemnity by the parent company, Fidelity Corporation of the U.S.—which Fidelity Corporation revoked in April of this year. Mr Thody also queried the investments listed under "unquoted equities" and the valuation put on them in the balance sheet.

On October 14, 1974, Mr. Sol Meltzer, Alternate Director and Manager of Fidelity Life, replied to Mr. Thody's letter, answering *certain points and saying* that he was sending copies of both Mr. Thody's letter and his own reply to the Department of Trade.

The Department of Trade yesterday *confirmed* that it had received Mr. Thody's correspondence. A spokesman said that the Department was at that stage already concerned about some of the points raised by Mr. Thody, *in particular the valuation of un*quoted equities.

Subsequent discussions with Fidelity Life led in mid-December 1974 to a DoT warning to Fidelity Life that it would have to ask the company to cease taking on new business. By the beginning of 1975, the company in fact had stopped writing new business, the spokesman said.

Weather

U.K. TO-DAY

SUNNY INTERVALS but there may be some thundery showers especially during the morning. Northern England will be generally dry with sunshine. Scotland will be mostly cloudy with drizzle at times.

London, Southern England, the Midlands, S.W. England, S. Wales
Cloudy with some sunny intervals and thundery showers at first. Wind N.E. light. Max. 22C (72F).

S.E. England, E. Anglia, Channel Isles
Cloudy on coasts, but sunny intervals inland. Thundery *showers at first. Max. 21C (70F),* but cooler near coasts.

N. Wales, Northern England
Sunny periods and dry with light and variable winds. Max. 21C (70F).

Lakes, Isle of Man, S.W. Scotland, N. Ireland
Cloudy with occasional rain but some bright spells. Wind variable and light. Max. 19C (66F).

Borders, Dundee, Aberdeen, Moray Firth
Sunny intervals at first but *cloudier later.* Max. 20C (68F).

Central Highlands, North Scotland, Orkney
Cloudy with occasional rain or drizzle and hill fog patches. Wind S.W. moderate. Max. 16C (68F).

Outlook: Some light rain at times in the North and East but mostly dry elsewhere.

Lighting-up: London 21.20, Manchester 21.37, Glasgow 21.56, *Belfast 21.57.*

Longe range forecast Page 21

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	C	31	88	Luxembrg.	S	29	84
Amsterdm.	S	25	77	Madrid	S	35	95
Athens	C	26	79	Manchstr.	C	19	66
Bahrain	S	37	99	Melbourne	R	10	50
Barcelona	S	31	88	Milan	S	30	86
Beirut	S	30	86	Montreal	S	28	82
Belfast	S	19	66	Moscow	F	25	77
Belgrade	F	27	81	Munich	S	25	77
Berlin	S	26	79	Newcastle	S	17	63
Birmghm.	F	21	70	New York	S	27	81
Bristol	S	21	70	Oslo	C	21	70
Brussels	S	28	82	Paris	S	32	90
Budapest	F	25	77	Perth	S	15	59
B. Aires	S	17	63	Prague	F	24	75
Cairo	S	30	86	Reykjavik	C	12	54
Cardiff	F	20	68	Rio de J'o	S	23	73
Cologne	S	29	84	Rome	S	31	88
Copnhagn.	F	23	73	Singapore	S	31	[illegible]
Dublin	S	17	63	Stockholm	S	25	77
Edinb'rgh	S	16	61	Strasbourg	S	29	84
Frankfurt	S	28	86	Sydney	F	22	74
Geneva	F	26	79	Tehran	S	36	97
Glasgow	F	19	66	Tel Aviv	S	28	82
Helsinki	S	24	75	Tokyo	S	33	91
H. Kong	S	31	88	Toronto	S	31	88
Jo'burg	S	20	68	Vienna	S	25	77
Lisbon	F	26	79	Warsaw	S	26	77
London	F	25	77	Zurich	S	25	77

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	28	82	Jersey	C	24	75
Algiers	S	29	84	Las Plms.	S	25	77
Biarritz	F	32	90	Locarno	S	27	81
Blackpool	C	19	66	Majorca	S	33	91
Bordeaux	F	34	93	Malaga	F	31	88
Boulogne	S	27	81	Malta	S	31	88
Casablnca.	C	23	73	Nairobi	C	21	70
Cape Tn.	C	18	64	Naples	S	32	90
Corfu	F	28	82	Nassau	S	31	88
Dubrovnik	F	29	84	Nice	S	27	81
Faro	S	25	77	Nicosia	S	29	84
Florence	F	31	88	Oporto	C	22	72
Funchal	F	23	73	Rhodes	S	29	84
Gibraltar	S	28	82	Salzburg	S	25	77
Guernsey	C	19	66	Tangier	C	24	75
Innsbruck	S	27	81	Tenerife	S	21	70
Inverness	S	17	63	Tunis	S	31	88
I. of Man	S	18	64	Valencia	S	31	88
Istanbul	F	28	82	Venice	S	29	84

S—Sunny. F—Fair. C—Cloudy. R—Rain.

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هكذا من الأصل